



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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Home Page:
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*Susan M. Bowyer Ph.D., Ryan Deel, Dale A. Hetrick, James Kubicina,
Stephanie Morita, Mark A. Tisdell, and David Walker*

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, July 29, 2019

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

President Tisdell called the Regular Rochester Hills City Council Meeting to order at 7:01 p.m. Michigan Time.

ROLL CALL

Present 7 - Susan M. Bowyer, Ryan Deel, Dale Hetrick, James Kubicina, Stephanie Morita, Mark A. Tisdell and David Walker

Others Present:

*Bryan Barnett, Mayor
Tracey Balint, Public Utilities Engineering Manager
Sean Canto, Fire Chief/Emergency Services Director
Bill Cooke, Assistant Chief/Fire Marshall
Scott Cope, Building/Ordinance/Facilities Director
Paul Davis, Deputy Public Services Director/City Engineer
Ken Elwert, Parks & Natural Resources Director
Larry Gambotto, Captain/Training Officer
Todd Gary, Deputy Fire Chief
Kevin Krajewski, Information Systems Director
Lee Mayes, Captain/Assistant Fire Marshall
Allan Schneck, Public Services Director
Leanne Scott, Deputy Clerk
Joe Snyder, Chief Financial Officer
Tom Talbert, Strategic Innovations Specialist
Maria Willett, Chief Assistant to the Mayor
Paul Wright, Lieutenant/Paramedic*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

COUNCIL AND YOUTH COMMITTEE REPORTS

Rochester Hills Government Youth Council (RHGYC):

Mr. Deel introduced **Noah Peterson**, RHGYC Representative.

Mr. Peterson stated he recently graduated from Rochester High School and will be attending Michigan State University in the Fall. He noted that he has been a member of the Youth Council for one year. He announced the 2019/2020 Youth Council members have been selected and will be sworn in at the next City Council meeting on Monday, August 12, 2019 at 7:00 p.m. He reported the United States Conference of Mayors invited and accommodated one member of the Youth Council and the Youth Council advisor to join Mayor Barnett at the 2019 National Youth Council summit in Los Angeles, California. Representatives of the Youth Council will report on the experience at the next City Council Meeting. He announced the next Youth Council meeting will be held on Monday, August 12, 2019 at 6:00 p.m. at City Hall.

Paint Creek Trailways Commission:

Dr. Bowyer announced the Trail is closed between Silver Bell and Dutton Roads while the bridge is being replaced, and that resurfacing of the Trail begins in August with one-mile sections of the Trail being closed as that work progresses. She noted more information is available at <http://paintcreektrail.org>.

Older Persons' Commission (OPC):

Mr. Kubicina announced the following upcoming OPC events:

650 Nite Club featuring Ben Sharkey on Thursday, August 8, 2019, 6:30 - 8:30 p.m. in the auditorium. Tickets are \$20 and include light appetizers. Beer and wine will be available for purchase. For tickets call 248-649-1029.

OPC Top Chef 2019 on August 15, 2019, 5:00-7:00 p.m. with chefs from local senior communities competing for the title. The event is open to the public, tickets are \$15 dollars and include appetizers, entrees and dessert. Beer and wine will be available for purchase, and the proceeds will benefit Meals on Wheels and Act of Kindness. Call 248-659-1029 for tickets.

Avondale Youth Assistance:

Vice President Morita announced Avondale Youth Assistance is seeking Board members. She stated those interested should contact her for an

application.

RECOGNITIONS

2019-0332 Proclamation in Recognition of Fred Dick

Attachments: [072919 Agenda Summary.pdf](#)
[Proclamation.pdf](#)
[Resolution \(Draft\).pdf](#)

Mayor Barnett invited **Fred Dick** to the front to receive a proclamation honoring him, on his retirement, for 46 years of service to the City of Rochester Hills. Mayor Barnett noted that Mr. Dick is the longest-serving employee in the history of the City.

Mr. Dick expressed his appreciation to City staff, his wife and family, and God for making it possible to serve the City of Rochester Hills.

Presented.

Whereas, on the occasion of his retirement, the Mayor and City Council wish to express their sincere appreciation to Fred Dick for his unwavering professionalism, commitment, and loyalty to the City of Rochester Hills; and

Whereas, throughout the years Fred has committed his time and talents to the City of Rochester Hills and has been a dedicated, valued, trustworthy and respected member of the Rochester Hills Department of Public Services for 46 years; and

Whereas, during his tenure as a Construction Inspector, Fred has ensured that countless miles of infrastructure have been constructed and recorded correctly per City specifications, and has built a reputation of invaluable and immeasurable contributions to the City; and

Whereas, Fred's service to the residents of Rochester Hills has been marked by exemplary dedication to his job and the application of engineering principles that were always in the best interests of our community and the welfare of our citizens.

Now, Therefore, Be It Resolved, that the Mayor and City Council of Rochester Hills hereby recognize and thank Fred Dick for his contributions during 46 years of service to the City of Rochester Hills, and wish him continued success in all his future endeavors.

Be It Further Resolved, that on behalf of the entire city staff, we wish Fred health, happiness, and the very best in his retirement.

PRESENTATIONS

2019-0334 Presentation on the OAKWAY Fire Ops 101 Conference; Larry Gambotto, Captain/Training Officer, presenter

Attachments: [072919 Agenda Summary.pdf](#)
[Presentation.pdf](#)
[Fire Ops 101 OAKWAY Training Event.pdf](#)

Captain Larry Gambotto introduced the Executive Board Members of the

*International Association of Fire Fighter (IAFF) Local 3472, **President Paul Wright** and **Vice President Lee Mayes**. He shared a video highlighting the importance of fire operations in a community and the value of community leaders understanding the work of firefighters and EMS workers. He invited the Mayor and City Council to the OAKWAY Fire Ops 101 Conference on Wednesday, October 2, 2019, 8:00 a.m. - 2:00 p.m. at the Oakland Community College CREST Center in Auburn Hills. He explained two representatives of each of the ten OAKWAY communities are being offered seats for the class. He noted representatives will partake in controlled emergency situations, they will be outfitted in firefighter gear including a self-contained breathing apparatus (SCBA) and will participate in first-hand training exercises with firefighter guides. Captain Gambotto indicated the deadline to register is August 19, 2019.*

Dr. Bowyer expressed interest in attending.

Presented.

2019-0335 Presentation on the Rochester Hills Fire Department Staffing Analysis and Needs Plan; Sean Canto, Fire Chief/Emergency Services Director, presenter

Attachments: [072919 Agenda Summary.pdf](#)
[RHFD Strategic Plan.pdf](#)
[Staffing Analysis and Needs Plan.pdf](#)
[Resolution \(Draft\).pdf](#)

***Fire Chief Sean Canto** introduced **Greg Hooper**, Chairperson of Public Safety and Infrastructure Committee, and proceeded to present the following information on Objectives 1B and 5B of the Fire Department's Strategic Plan as adopted by City Council at their February 25, 2019 regular meeting.*

Fire Department Strategic Plan, Objective 1B: Develop a Staffing Analysis Needs Plan (Plan)

Chief Canto reviewed the steps taken to develop the Plan:

- Several critical tasks were completed to understand the full picture. These included determining the current and anticipated operational workload for the next ten years, reviewing applicable local, state, and national staffing standards, and identifying discrepancies between staffing levels, anticipated workload, current statistics, and reviewed standards.*
- Data collected revealed that total calls for service have steadily increased, from 5,132 in 2007 to 7,111 in 2017.*
- Chief Canto broke down call runs by each of the City's five stations, noting growth and development within the City have increased runs at each station.*
- Anticipated call runs in 2027 will be 9,713.*
- Requests for services continue to grow, with certain areas within the City seeing much larger increases than others over the past ten years. Calls for older citizens will continue to grow as the City's population ages. Of the 5,556 medical runs in 2017, 3,578 of them were for persons aged 65 and older.*

Chief Canto outlined the recommendation of the Public Safety and Infrastructure Committee:

- The recommendation for the staffing needs of the Department is based upon accessing information which reflects the community and the key assumptions that can be formulated.
- The Department also utilized several relevant informational, statistical data, and documented sources in the creation of the plan, including the City's recently proposed Master Plan.
- The Department responds to one incident per ten housing units. There are currently 29,000 housing units within City.
- The current staffing model of Department needs an infusion of additional full-time staffing over the next ten years to address increasing call volume as well as to maintain response times closer with nationally established response time criteria and benchmarks.

Chief Canto laid out the recommended phasing of the staffing increase:

- Phase #1, to be implemented in 2019/2020, would include changing part-time staffing to the following:
 - Two part-time members would work 7:00 p.m. to 7:00 a.m. each night.
 - Eight additional full-time personnel would be hired. These new full-time positions would operate during the busiest run volume times based on a modified 12-hour work schedule, Monday through Sunday.
- The proposed staffing changes would strengthen the Department's manpower levels during the busiest run volume times.
- The funds currently established for part-time members would almost fully fund the positions with the change in scheduling.

Chief Canto explained the Department will be able to fund the staffing modifications under the current millage rate with some changes to how funding is utilized. He noted the following:

- Chief Financial Officer Joe Snyder recommended years ago that the Department address then-projected shortfalls in their Fire Capital Fund by allocating \$500,000 each year for the Fund.
- The Department exceeded that goal in each of the years 2015 - 2018.
- Projected fund balance in the Capital Fund in 2020 is \$11 million.
- The Fire Capital Fund is funded through 2030.

Chief Canto noted Phases 2-5 will need further evaluation as they near, with review by the Public Safety and Infrastructure Committee, City Administration, and City Council.

Fire Department Strategic Plan, - Objective 5B: Community Risk Reduction: Provide Annual Fire and Life Safety Inspections to All Occupancies under the Jurisdiction of the City of Rochester Hills

Chief Canto reviewed the steps taken to collect data on the Department's needs in order to provide annual fire and life safety inspections, which included determining the number of Fire and Life Safety Inspections anticipated to be conducted on an annual basis, conducting a Community Risk Assessment to identify the risk levels associated with the community's existing occupancies, analyzing data to determine how many inspections can be conducted with

current staffing levels, and determining if current staffing levels are sufficient to meet annual inspection requirements and make staffing recommendations based on current and future growth.

He noted the following:

- The current staffing model of the Rochester Hills Fire Department Community Risk Reduction Division needs an infusion of additional full-time staffing to address the increasing demands of Fire Inspections and Fire and Life Safety Education.
- The focal points of the Community Risk Reduction Division's efforts are minimizing loss in a community and improving the safety and quality of life for Rochester Hills' citizens, visitors, and members.
- For Rochester Hills, delivering high levels of safety are accomplished by two important tasks that are currently being directed by the division. These include:
 - Fire and Life Safety Education
 - Routine Fire and Life Safety Inspections
- Based on the research conducted, the Department has identified the need for two additional Fire Inspectors to keep up with workload and demand.
- The recommendation is to adopt an inspection frequency schedule which would allow for all buildings in Rochester Hills to be provided with a Fire and Life Safety Inspection at least every three years.
- The fire service faces new challenges including:
 - Increased demand for public education.
 - Increased demand for emergency medical services.
 - Increasing incident volume.
 - Ever-changing environment that we must be able to meet and adapt to.
- The use of alternative funding can play a significant part in the Department's ability to offset the associated cost of fire inspections.
- The Department determined the cost for a fire inspection should be at the level of the end user, being the business owner. Additionally, the Department found that this is primarily the case with fee and permits within other City Departments. The Public Safety and Infrastructure Committee supports the model.
- The Department recommends establishing a new fee for annual Fire and Life Safety Inspections like what other departments already have in place.
- The Fire Department Administration has taken the current millage, the National Standards, all available data from past, current and future projections for the Department's services and developed a recommendation to ensure the demands of the citizens and the community continue to be met.
- Fire Department Administration is still working with the Fiscal Department on the proposed fee schedule.
- Annual Fire and Life Safety Inspections would have a modest fee attached to them which will be determined by the square footage of the business.

Chief Canto stated the proposed fee schedule would be presented to the City Council in November at the same time other City Departments propose fee schedule updates.

Mr. Hooper reported the Public Safety and Infrastructure Committee reviewed the research presented by Chief Canto and recommended the addition of eight full-time staff, which will be offset by the part-time staff, and the revision to the

City's fee schedule to lower the risks associated with fires and hazards within our community.

Mr. Lee Zendel requested more precision in the language of Goal 5B to define "occupancies" and "all buildings". He inquired whether single family homes and apartment buildings would be considered "occupancies" and "buildings". He also questioned if, in the future, the Life Safety portion of the inspection would allow the recording of legally owned firearms, stating his opinion that would undermine the Fourth Amendment of the Bill of Rights of the United States Constitution.

Chief Canto explained there are 2,636 inspectable properties within the city limits, which are defined as assembly, business, industrial, the common areas of multi-family, not the individual apartments, daycares, dormitories, hotels, mercantile establishments, multiple use buildings, such as strip malls, and storage facilities.

Fire Marshall Cook noted "all occupancies" is a term used by his office to denote those properties where inspections are allowed by Public Act 207. The intent of the Act is not relative to single family homes, but public buildings.

President Tisdell requested that the language in the recommendation cite that provision in law.

Mr. Hetrick asked for elaboration on the financial impact of Phases 3 and 4, which call for an increased millage rate.

Chief Canto explained the Department currently operates with a 2.7 millage rate. If, going forward, there are no increases in revenue from increased property values or from additional development in the City, Phases 3 and 4 would likely require an increase in the millage rate to the Headlee rollback maximum of 2.9 mills. He stated that financial conditions would be evaluated, as would run volumes at each fire station, on an ongoing basis to determine future needs.

Mr. Hetrick noted maintaining response times must be taken into consideration as well.

Vice President Morita questioned why we are still doing non-emergency transfers.

Chief Canto explained that the Department ended non-emergency transfers with Crittenton Hospital in 2015 and with Karmanos Cancer Center in 2017 when the contract expired. He noted that currently critical patients will be transported to another facility if there is no private transport available.

Vice President Morita expressed concern with Phase 2 requiring a tax increase for property owners.

Chief Canto explained changing financial conditions in the City, such as EMS revenue and property taxable value, would be analyzed with Mr. Snyder to

determine if a millage increase would be necessary. He commented the current 2.7 millage rate would likely not support Phase 2, but the maximum millage rate of 2.9 under the Headlee rollback very nearly would.

Vice President Morita inquired about the fees to be charged small businesses for Fire and Life Safety inspections and re-inspections. She expressed concern that the cost, in addition to a tax increase, would be burdensome on small businesses.

Chief Canto explained the inspection schedule would be once per year for high risk operations, once every two years for medium risk facilities, and once every three years for low risk businesses. He elaborated that the inspection fee for a low risk business would be about \$250, which, when averaged over a three-year period, would be less than \$84 per year. He stated the goal of the program is to work with City businesses to ensure the health, safety and welfare of the City's residents and guests, not create an adversarial relationship.

Vice President Morita requested that a small business financial hardship exception be included in the fee schedule with objective criteria for qualification.

Dr. Bowyer inquired about the current inspection fees and noted her agreement that there is a need to make sure properties are safe.

Chief Canto noted the Department currently charges for re-inspections of any properties that fail the free first inspection. They also charge for fire inspections required under the Michigan Firefighters Right to Know Act, and for those buildings requiring a special inspection as defined by City ordinance. He stressed that the purpose of the new inspection program is to ensure that all properties are inspected on a regular basis, and explained that the model is based on inspection programs in Michigan and across the country. He confirmed that the inspection fees would cover actual costs only.

Dr. Bowyer questioned if the eight new firefighter positions will be added in phases and how many part-time positions will be lost.

Chief Canto indicated all eight positions are budgeted for 2020. He noted the situation is fluid because some current part-time personnel are leaving due to job relocation or other reasons, and some part-time personnel have expressed interest in becoming full-time. He confirmed stations with larger call volumes during the 7:00 p.m. - 7:00 a.m. time period will be the ones with additional staffing during that shift. He also noted all units will be staffed with ALS personnel.

Mayor Barnett summarized the following key points:

- The Fire Department has proactive leadership who reevaluate and reengineer operations, resulting in the Department being ranked in the top ten in Michigan last year.
- Only Phase 1 is before the City Council for discussion, and the changes will be presented as part of the budget next month. The net cost is approximately the cost of one new individual.

- Rochester Hills is committed to small business owners and is seeking balance between that commitment and the City's responsibility for the safety of all customers entering buildings daily. The City is currently one of the few communities not currently charging safety inspection fees.
- The inspection program is a proactive way to improve service without raising costs for taxpayers in general.
- Inspection fees will be structured as user fees, which has been City Council's direction in the past.
- Data is being used to drive decisions for the future.
- The first step will have a minor financial impact and will be an exceptional value because of the reorganization in the way resources are deployed. The financial impact will be presented in the City budget proposal.
- He and other key staff members reviewed the inspection program extensively before presenting it to City Council.
- The goal of the inspection program is to balance the City Council's number one goal of protecting the health, safety, and welfare of City residents, business owners, and guests of the community with the economic environment.

Mr. Kubicina said he believes the benefits of the inspection program outweigh the costs.

A motion was made by Kubicina, seconded by Hetrick, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

Enactment No: RES0221-2019

Resolved, that the Rochester Hills City Council hereby adopts the recommendations from the Public Safety and Infrastructure Technical Review Committee and Fire Department Administration as presented.

2019-0312 Presentation of the City's Seven-Year Financial Forecast; Joe Snyder, Chief Financial Officer, presenter

Attachments: [072919 Agenda Summary.pdf](#)
[7-Year Financial Forecast \(2020-26\).pdf](#)
[SUPPL Presentation.pdf](#)

Joe Snyder, Chief Financial Officer, presented the Seven-Year Financial Forecast for 2020 through 2026. He stated the forecast was developed to give City Council and the public a forward look at the City's financial picture and is intended to identify financial trends, issues, and opportunities to enable the City to proactively address issues rather than be forced into a reactive position.

He explained the Seven-Year Forecast is built by projecting current service levels, programs, and policies by a set of financial assumptions to envision the impact of those service levels, programs, and policies into the future. The forecast considers the City's adopted Governmental Funds Fund Balance Policy. He stressed the forecast is not intended to be a budget, a proposed spending plan, or a policy recommendation.

He noted the following key assumptions regarding Revenues, stressing that conservative estimates are utilized:

- Taxable values are moving in the right direction. Last year, a three percent increase for taxable value was projected for 2020. He announced the City will be experiencing a 4.95 percent increase in taxable values for next year. That positive gain not only impacts next year, 2020, but it ripples on through to project a pretty conservative three percent for 2021 and is projecting to level out closer to the rate of inflation at 2.5 percent on through.
- State Shared Revenue remains consistent at two percent increases. Over the past five years, however, State Shared Revenues have increased 3.9% per year, on average each year.
- Interest rates are going down; two Federal Fund rate decreases are expected over the next six to twelve months. As of June 30, 2019, our city-wide average weighted yield is 2.58 percent.
- Over the last five years Act 51 revenues have increased an average of 9.8 percent per year. A two percent increase is being projected, however, there is good potential that this revenue could continue to increase by higher than two percent.
- Key assumptions maintain the same bottom line millage rate at 10.4605. In 2021 Local Street I, II and III are anticipated to be combined and renewed into one single millage starting in FY2021. The OPC Debt Refunding is expiring after FY2021 and it is projected for the OPC Operating Millage to increase slightly to 0.3 mill in 2022.

Expenditure assumptions include the following:

- The employee count increased from 225 to 238; ten of which will be in the Fire Department (eight additional firefighter/EMT's, and two fire inspectors), one additional administrative associate in Human Resources, and one building permit technician. There is also one additional employee in the Fleet Division.
- The salary figures represent recently reflective union contract annual increases.
- Projections for Health Care increases are slightly lower, from nine percent down to seven percent annual due to better claims experience.
- Inflation projections are similar to last year.
- The Oakland County Sheriff's contract and the number of deputies are kept the same.

Mr. Snyder noted that based on these assumptions, the Fund Forecasts include the following:

- The General Fund property tax levy is adjusted and set each year to maintain the City's overall bottom line at 10.4605.
- The majority of the general fund expenses are on personnel and other supporting expenditures.
- FY2019 includes a transfer-out to the Capital Improvement Fund to set the General Fund Balance at 80 percent of annual expenditures. Moving forward, any General Fund Balance in excess of 80 percent of annual expenditures will be transferred-out to the Capital Improvement Fund.
- The Capital Improvement Fund is the General Fund's Capital Reserve. The most significant costs anticipated for FY2020 within the Capital Improvement Fund is the museum dairy barn roof replacement. To accommodate this need, staff worked to reassess all of the Capital Improvement projects funded from

the Capital Improvement Fund over the next few years. The project timeline has been restructured to maintain a minimum balance of \$2 million in the Capital Improvement Fund long-term.

- Act 51 typically provides for the majority of Major Road revenues.

- For 2019 we have \$16 million of Major Road Capital Projects taking place. The future capital outlay costs for 2020 and beyond include all the major road projects included in the most recent adopted Capital Improvement Plan.

- For 2020 it is projected to reinstate an annual transfer-out from the Major Road Fund to the Local Street Fund. Per State of Michigan Act 51 requirements, a community may transfer up to 50 percent of their Major Road Act 51 dollars to the local street fund. We are proposing to transfer 25 percent from the Major Roads Act 51 monies to the Local Street Fund. This additional revenue source into the Local Street Fund reduces the amount of funding required from the General Fund to balance the Local Street Fund, essentially freeing up General Fund monies which can be contributed to the Capital Improvement Fund for future Capital Projects citywide.

- The additional monies received from the State of Michigan, LDFA and others in 2018 and 2019 go a long way to help us fund the aggressive projects we have going on this year. After 2020, it is projected for Major Road Fund levels to increase, as the city will have the funding available as additional projects come up.

- Local Streets has diversified funding sources between Act 51, local street millages, and transfers-in from General Fund and Major Road Fund.

- Typically local street expenditures are fairly equally split between Operating and Capital. FY 2019 is a large year of local street work, and FY 2020 has projected SAD paving projects funded from the Capital Improvement Fund. Utilizing the current forecast assumptions the Local Street Fund is able to support an annual local street rehabilitation program of \$5 million per year.

- The primary source of Fire Revenue is taxes and EMS charges for service. The Fire millage level is forecast to be held at the existing 2.7 mill throughout this forecast model.

- Fire expenditures are fairly consistent from year to year. The exception is the increase in transfers-out in 2019 and that is done to set the Fire Operating Fund balance at 25 percent of annual operating expenses.

- Fire Capital Fund balance increase in 2019 is due to transferring the money in from the Fire Operating Fund. The Fire Capital replacement projections shows the Fire Capital with a positive fund balance well through 2030.

- Taxes provide the majority of revenue for the Special Police Fund. The trend shows a slight reduction in the police millage amount from 2019 through 2022. This is to set the Special Police Fund Balance at 25 percent of annual expenses.

- The vast majority of Special Police Fund costs are the Oakland County Sheriff's Office for our Deputies. We are projecting a status quo of 60 officers included in this forecast. An item of note, in 2021 the debt related to the new Oakland County Substation will be paid off.

- The Water Resources Fund, or stormwater, has very little in dedicated revenue sources. Primarily the funding comes from the General Fund transfer-in to balance operating expenses. The General Fund is projected to continue funding through the forecast.

- The Capital Improvement Fund is projected to fund the Capital projects anticipated in the Stormwater Fund. The Public Safety and Infrastructure

Technical Review Committee is currently exploring potential funding options for water resource operations, maintenance and infrastructure improvements.

- No change in Water Resources Fund Balance is anticipated. The General Fund will contribute funding to balance their operations and the Capital Improvement Fund is projected to fund Capital expenditures. The water resource fund is in stable condition; however, long-term it would be beneficial to the City if a dedicated source for stormwater funding could be established, both to ease the burden for stormwater funding from the General Fund and the Capital Improvement Fund, in addition to helping out the City's Major Road and Local Street Funds as they will be positively impacted as stormwater upgrades performed as part of road projects are typically expensed to the related road fund.

- The last year for the OPC Building Debt Millage is going to be in 2021. For 2021 it is estimated the City will need to collect approximately \$670,000.00 through the millage to pay the final year of debt service and that has an approximate millage rate of 0.18 mill.

Council Discussion:

Vice President Morita pointed out the possibility of an increase in the OPC millage because the age of the building is going to necessitate investment in items like roof replacement, pool structural repair, and developing the barn for use. She reported the OPC is finalizing a comprehensive Capital Improvement Plan.

Mr. Hetrick stressed the importance of the fund balance policies which put the City in a strong financial position. He also emphasized the value of the Seven-Year Forecast in the budget process because it gives the City Council insight into how expenditures can best be managed.

Presented.

PUBLIC HEARINGS

2019-0327 FY 2019 2nd Quarter Budget Amendments

Attachments: [072919 Agenda Summary.pdf](#)
[2nd Qtr BA Overview.pdf](#)
[2nd Qtr Budget Amendments Backup.pdf](#)
[2nd Qtr Budget Adjustments Backup.pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, reported the 2nd Quarter Budget Amendment proposes to increase total revenues by \$3.7 million and increase total expenditures by \$2.3 million, leaving a positive net impact on citywide fund balances of \$1.4 million. He explained that the majority of the \$3.7 million in total revenues is from transfers-in revenues, with off-setting transfers-out from other funds, so much of it is City monies moving within the different funds.

He noted that the \$2.3 million increase in total expenditures represents a decrease of \$390,000.00 in operating expenses, which are mostly Facility operational projects deferred to 2020. He stated the decrease of \$1 million in

Capital Projects represent Fleet and Water & Sewer Projects that will be deferred until next year, offset somewhat by an increase in the Local Street Rehabilitation Program for 2019. He pointed out that the increase of \$3.7 million of transfers-out between other funds is primarily to align our fund balances per the City's recently adopted Fund Balance Policy. Within that amount includes an increased transfer-out from the General Fund to the Capital Improvement Fund in the amount of \$2.5 million. There is also an increased transfer-out from Fire Operating to Fire Capital in the amount of \$668,000.00. These are additional funds contributed from the City's Operating Funds to the City's Capital Funds representing the favorable budget variances from FY 2018 being now redirected in 2019.

President Tisdell opened the Public Hearing at 8:51 p.m. Seeing No Public Comment, President Tisdell Closed the Public Hearing at 8:51 p.m.

A motion was made by Morita, seconded by Hetrick, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

Enactment No: RES0222-2019

Whereas, in accordance with the provisions of Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, and the Charter for the City of Rochester Hills, Chapter III Section 3.7, the City Council may amend the budget during the fiscal year, either on its own initiative or upon recommendation of the Mayor; and

Whereas, the Public Hearing for the proposed FY 2019 2nd Quarter Budget Amendments was noticed on July 11, 2019; and

Whereas, the proposed FY 2019 2nd Quarter Budget Amendments were available for public viewing beginning on July 19, 2019; and

Whereas, at its July 29, 2019 meeting City Council held a Public Hearing on the proposed FY 2019 2nd Quarter Budget Amendments.

Now, Therefore, Be It Resolved, that the Rochester Hills City Council hereby approves the following FY 2019 fund totals as amended:

| Current | Amended | | |
|---------------------------------|----------------|----------------------|---------------|
| TOTAL BUDGET SUMMARY | | Budget Change | Budget |
| Fund 101 - General Fund | 36,048,270 | 2,467,680 | 38,515,950 |
| Fund 202 - Major Road Fund | 18,720,050 | (191,400) | 18,528,650 |
| Fund 203 - Local Street Fund | 12,617,700 | 1,112,400 | 17,730,100 |
| Fund 206 - Fire Department Fund | 13,776,550 | 696,040 | 14,472,590 |
| Fund 207 - Special Police Fund | 10,010,380 | - | 10,010,380 |
| Fund 213 - RARA Millage Fund | 656,120 | 12,010 | |

| | | |
|---|--------------------|------------------|
| 668,130 | | |
| Fund 214 - Pathway Maintenance Fund | 761,050 | 63,380 |
| Fund 226 - Solid Waste Fund | 464,700 | - |
| Fund 232 - Tree Fund | 545,000 | - |
| Fund 244 - Drain Maintenance Fund | 742,750 | - |
| Fund 265 - OPC Millage Fund | 1,145,220 | 21,230 |
| Fund 299 - Green Space Fund | 307,560 | - |
| Fund 331 - Drain Debt Fund | 202,480 | - |
| Fund 369 - OPC Building Refunding Debt Fund | 777,060 | - |
| Fund 393 - Municipal Building Refunding Debt Fund | 867,150 | - |
| Fund 402 - Fire Capital Fund | 611,500 | - |
| Fund 403 - Pathway Construction Fund | 195,000 | - |
| Fund 420 - Capital Improvement Fund | 10,925,620 | 341,000 |
| Fund 510 - Sewer Department | 16,778,020 | (73,480) |
| Fund 530 - Water Department | 20,807,170 | (115,260) |
| Fund 593 - Water & Sewer Capital Fund | 9,517,120 | (1,677,400) |
| Fund 595 - Water & Sewer Debt Fund | 1,388,160 | - |
| Fund 631 - Facilities Fund | 17,356,570 | (433,000) |
| Fund 636 - MIS Fund | 5,026,210 | - |
| Fund 661 - Fleet Fund | 5,037,470 | (367,220) |
| Fund 677 - Insurance Fund | 405,000 | - |
| Fund 736 - Retiree Health Care Trust Fund | 186,610 | - |
| Fund 752 - Cemetery Perpetual Care Trust Fund | - | - |
| Fund 761 - Green Space Perpetual Care Trust Fund | 302,020 | (3,520) |
| Fund 843 - Brownfield Redevelopment Auth. - Madison | - | 539,490 |
| Fund 844 - Brownfield Redevelopment Auth. - Legacy | - | 97,430 |
| Fund 848 - LDFA Fund | 716,070 | (200,000) |
| Fund 870 - RH Museum Foundation Fund | 100 | - |
| GRAND TOTAL - ALL FUNDS | 186,894,680 | 2,294,380 |

PUBLIC COMMENT for Items not on the Agenda

Mr. Lee Zendel, 1575 Dutton Rd., referenced the Deer Management Advisory Committee's presentation at the July 15, 2019 City Council meeting, and noted that Matt Einheuser, Natural Resources Manager, estimated the total deer population of Rochester Hills at 2,000. He pointed out the average number of deer per square mile in the City, using that estimate, is more than 62. He said

the DNR, in 2015, recommended a population of eight to 10 deer per square mile on the University of Michigan Dearborn campus. The 2017 draft action plan of Kensington Metro Park for culling deer recommended maintaining a deer population of 15 per square mile, and the Minnesota Department of Natural Resources recommends 15-25 deer per square mile of habitat in urban areas. He further asserted a study of the reproductive capacity of white tailed deer in a predator free environment was conducted by the University of Michigan many years ago in the two-square mile George reserve, enclosed by fencing, and in seven years the number of deer increased from six to 222. He maintained it is time for City Administration and the City Council to admit the City still has a deer population problem.

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

- 2019-0300** Request for Acceptance of a Watermain Easement granted by Gateway Properties-Rochester Hills, LLC, a Michigan limited liability company, RH Hospitality, LLC, a Michigan limited liability company and Gateway of Rochester Hills Association, a Michigan non-profit corporation for Gateway of Rochester Hills

Attachments: [072919 Agenda Summary.pdf](#)
[Water Main Easement.pdf](#)
[071519 Agenda Summary.pdf](#)
[071519 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0223-2019

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Watermain Easement granted by Gateway Properties-Rochester Hills, LLC, a Michigan limited liability company, of 38700 Van Dyke Ave., Suite 200, Sterling Heights, Michigan 48312, RH Hospitality, LLC, a Michigan limited liability company of 29200 Northwestern Highway, Suite 450, Southfield, Michigan 48034 and Gateway of Rochester Hills Association, a Michigan non-profit corporation of 38700 Van Dyke Ave., Suite 200, Sterling Heights, Michigan 48312 for the construction, operation, maintenance, repair and/or replacement of a watermain over, on, under, through and across land more particularly described as Parcel Nos. 15-34-477-017 (Unit 1), 15-34-477-018 (Unit 2) & 15-34-477-019 (Unit 3).

Further Resolved, that the City Clerk is directed to record the easement with the Oakland County Register of Deeds.

- 2019-0301** Request for Acceptance of a Sanitary Sewer Easement granted by Gateway Properties-Rochester Hills, LLC, a Michigan limited liability company, RH Hospitality, LLC, a Michigan limited liability company and Gateway of Rochester Hills Association, a Michigan non-profit corporation

for Gateway of Rochester Hills

Attachments: [072919 Agenda Summary.pdf](#)
[San Sewer Easement.pdf](#)
[071519 Agenda Summary.pdf](#)
[071519 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0224-2019

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts a Sanitary Sewer Easement granted by Gateway Properties-Rochester Hills, LLC, a Michigan limited liability company of 38700 Van Dyke Ave, Suite 200, Sterling Heights, Michigan 48312, RH Hospitality, LLC, a Michigan limited liability company of 29200 Northwestern Highway, Suite 450, Southfield, Michigan 48034 and Gateway of Rochester Hills Association, a Michigan non-profit corporation of 38700 Van Dyke Ave, Suite 200, Sterling Heights, Michigan 48312 for the construction, operation, maintenance, repair and/or replacement of a sanitary sewer easement over, on, under, through and across land more particularly described as Parcel Nos. 15-34-477-017 (Unit 1), & 15-34-477-018 (Unit 2).

2019-0303 Request for Approval of a Storm Water System Maintenance Agreement between the City of Rochester Hills and RH Hospitality, LLC, a Michigan limited liability company for Gateway of Rochester Hills

Attachments: [072919 Agenda Summary.pdf](#)
[Storm Maint Agreem Unit 1.pdf](#)
[071519 Agenda Summary.pdf](#)
[071519 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0225-2019

Resolved, that the Rochester Hills City Council hereby approves the Storm Water System Maintenance Agreement between the City of Rochester Hills and RH Hospitality, LLC, a Michigan limited liability company of 29200 Northwestern Highway, Suite 450, Southfield, Michigan 48034 for Gateway of Rochester Hills, Parcel No. 15-34-477-017 (Unit 1).

Further Resolved, that the City Clerk is directed to record the agreement with the Oakland County Register of Deeds.

2019-0325 Request for Acceptance of a Second Amendment to Watermain Easement granted by ESM Properties, LLC, a Michigan limited liability company, for Griffin Claw Brewery

Attachments: [072919 Agenda Summary.pdf](#)
[2nd Amend to Water Main Easement.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0226-2019

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills,

hereby accepts a second amendment to watermain easement granted by ESM Properties, LLC, a Michigan limited liability company, whose address is 375 S. Eton Street, Apt. 404, Birmingham, Michigan 48009, for the construction, operation, maintenance, repair and/or replacement of a watermain over, on, under, through and across land more particularly described as Parcel No. 15-28-151-004.

- 2019-0322** Request for Approval of FY 2020 Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Contract Application between SMART and the City of Rochester Hills in the amount of \$73,480.00

Attachments: [072919 Agenda Summary.pdf](#)
[Rochester Hills FY20 MCCC contract.pdf](#)
[Rochester Hills FY20 EXHIBIT A & B.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0227-2019

Resolved, that the Rochester Hills City Council hereby approves the transfer application for the Suburban Mobility Authority for Regional Transportation (SMART) for Fiscal Year 2020 Municipal Credits to the Older Persons' Commission as presented.

Further Resolved, that the Mayor is authorized to execute and deliver the transfer agreement on behalf of the City.

- 2019-0326** Request for Purchase Authorization - FACILITIES: Blanket Purchase Order/Contract for the wood siding restoration of the Stoney Creek Schoolhouse for a project budget amount of \$63,200.00 with a 10% contingency of \$6,320.00 for a total not-to-exceed project budget amount of \$69,520.00; U&S Companies, Macomb MI

Attachments: [072919 Agenda Summary.pdf](#)
[Proposal Tabulation.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0228-2019

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order/contract for the wood siding restoration of the Stoney Creek Schoolhouse located at the City of Rochester Hills Museum at Van Hoosen Farm to U&S Companies, Macomb, Michigan for a project budget amount of \$63,200.00 with a 10% contingency of \$6,320.00 for a total not-to-exceed project budget amount of \$69,520.00 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

- 2019-0328** Request for Purchase Authorization - MIS: Blanket Purchase Order for a one-year renewal of hosted Google Apps email services and BetterCloud management application in the amount not-to-exceed \$50,000.00 through August 30, 2020; Onix Networking Corporation, Lakewood, OH

Attachments: [072919 Agenda Summary.pdf](#)
[2019 Renewal - Quote.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0229-2019

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order for a one-year renewal of hosted Google Apps email services and BetterCloud management application to Onix Networking Corporation, Lakewood, Ohio in the amount not-to-exceed \$50,000.00 through August 30, 2020.

2019-0333 Request for Purchase Authorization - FACILITIES: Contract/Blanket Purchase Order for the construction of four (4) dumpster enclosures related to the Auburn Road alleyway project in the amount of \$86,480.00 with a 5% project contingency in the amount of \$4,324.00 for a total not-to-exceed project cost of \$90,804.00; A.F. Bellisario, Inc., Waterford, MI

Attachments: [072919 Agenda Summary.pdf](#)
[Bid Tabulation.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0230-2019

Resolved, that the Rochester Hills City Council hereby authorizes a Contract/Blanket Purchase Order for the construction of four (4) dumpster enclosures related to the Auburn Road alleyway project to A.F. Bellisario Inc., Waterford, Michigan in the amount of \$86,480.00 with a 5% project contingency in the amount of \$4,324.00 for a total not-to-exceed project cost of \$90,804.00 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

Passed the Consent Agenda

A motion was made by Bowyer, seconded by Hetrick, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Tisdell reported the City hosted the Department of Natural Resources (DNR) Deer Management Conference in the Calf Barn last week at which the George reserve study was referenced. He stated the City is closely examining ways to address the deer population issue.

Dr. Bowyer congratulated Mr. Peterson and her nephew, Trevor, on their plans to attend Michigan State University. She also welcomed her sister and niece,

Sara and Zoe Griffith, who are visiting America from England.

She highlighted the following Outdoor Engagement events:

'ellness and Nature Hikes with Ascension Providence Rochester Hospital on July 30 and August 13. These are events.

campfire and Night Hike at Bloomer Park on August 8. There is a \$5.00 fee for the event.

ayak the Clinton on August 18.

second Saturday Hikes, hosted by the Green Space Advisory Board, on August 10 at Innovation Hills Green

pace, on the north side of river; on September 14 at Harding Green Space; and on October 12 at a location to be

etermined. The hikes are free events.

Dr. Bowyer reminded residents that paper, cartons, metal, glass, and plastic can be recycled in Rochester Hills, but Styrofoam and plastic bags cannot. More information is available at www.rochesterhills.org/trash.

Mr. Deel announced Rochester Hills has been ranked the Safest Small City in America for 2019 with only 6.38 property crimes per 1,000 residents. He congratulated Mayor Barnett on his locally celebrated inauguration as the 77th President of the United States Conference of Mayors. He welcomed Oakland County's newest circuit court judge, Judge Kameshia D. Gant, recently appointed by Governor Whitmer. He also acknowledged his son, Brennan Deel, for being Community Lifestyles' youngest contributor with his original comics. Lastly, he congratulated Mr. Peterson on attending James Madison College at Michigan State University, which is his alma mater. He commended Mr. Peterson for earning three (3) credits in 10 days during an assignment in Washington D.C.

Mr. Hetrick said he and Mr. Kubicina had the privilege of representing the City at the ribbon cutting ceremony for Hand & Stone Massage and Facial Spa on July 25.

Mr. Kubicina congratulated Mayor Barnett on his inauguration event. He noted the Deer Management Advisory Committee has been in effect since 2009, and commented that deer are part of Rochester Hills, and the City will continue to work on solutions to the problems they create. He welcomed Mr. Zendel to attend meetings of the Committee to offer his input.

Mr. Walker reported two businesses have been welcomed to Rochester Hills in the past two weeks with the support of the Rochester Regional Chamber of Commerce and the City of Rochester Hills: Clean Juice, in the Papa Joe's plaza, and Hand & Stone Massage and Facial Spa, in the Target plaza.

Mr. Peterson expressed his honor and pleasure to have the opportunity to serve the City since the age of 16 when he was an intern in Mayor Barnett's office. He thanked the City Council and Mayor Barnett for providing an excellent environment for the Youth Council to express themselves and to learn

about local government.

Mayor Barnett thanked Mr. Peterson for his leadership, and commended him for his talent, tenacity, and drive. He noted the distinction of Rochester Hills as the Safest Small City in America for 2019 was bestowed by the FBI. He commented on traffic issues caused by several road construction projects in the City, noting heavy construction is necessary during Michigan's short construction season. He reported the projects are going well and reminded residents construction is being done in the name of progress.

Mayor Barnett spoke about the opportunities he has been afforded, as America's Mayor, to promote the City of Rochester Hills across the country. He thanked all who attended his inaugural event. He reported that he Chaired the 2019 Mayors National Youth Summit in Los Angeles, and noted Danielle Szajna, Youth Council Liaison, and Hannah Bennett, Youth Council member, attended and will be providing a report at an upcoming City Council meeting. He thanked the City Council for their support of the Youth Council.

He requested volunteers for two upcoming events:

American Red Cross blood drive on August 26, 10:00 a.m. - 4:00 p.m. at City Hall. He noted the Red Cross is 80,000 donors short of last year's donations. The Life Remodeled cleanup event in Detroit on August 9.

ATTORNEY'S REPORT

City Attorney Staran had nothing to report.

(Recess 9:20 p.m. to 9:30 p.m.)

Deputy Clerk Scott issued a reminder that the Primary Election will be held on Tuesday, August 6. Polls are open 7:00 a.m. - 8:00 p.m. She noted that due to the passage of Proposal 3 in November 2018, residents may register to vote on Election Day and, with the proper documentation verifying their address in the City, may vote the same day.

NOMINATIONS/APPOINTMENTS

2019-0344 Appointment of Youth Members to the 2019/2020 Rochester Hills Government Youth Council (RHGYC)

Attachments: [072919 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Mr. Deel, RHGYC Liaison, reported ten of the 15 members from last term are retuning, while five were graduating seniors. He noted the RHGYC Interview Team interviewed 26 applicants, and chose five students to join the RHGYC.

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

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

Enactment No: RES0231-2019

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Rochester Hills Government Youth Council (RHGYC) Interview Team and waives Article II, Membership and Terms, Section 1.a. of the RHGYC Bylaws and Rules of Procedure to allow the appointment of fifteen (15) members to the RHGYC for the 2019/2020 term.

Be It Further Resolved, that the Rochester Hills City Council concurs with the recommendation of the RHGYC Interview Team and appoints the following students to the 2019/2020 term beginning September 1, 2019 and ending August 31, 2020.

Representatives School Dist.

| | | |
|-------------------|-----------------------|---|
| Numair Haq | Adams HS | 1 |
| Yitian Zhang | International Academy | 1 |
| Zena Nasiri | Adams HS | 1 |
| Hannah Bennett | Rochester HS | 2 |
| Jessica Hrynkiw | Rochester HS | 2 |
| Aden Smith | Stoney Creek HS | 2 |
| Zoe Pizzuti | Adams HS | 2 |
| Jonathan Karr | Notre Dame Prep | 2 |
| Hayden Bearre | Rochester HS | 2 |
| Amanpreet Dosanjh | Rochester HS | 3 |
| Shreya Pillai | Rochester HS | 3 |
| Maya Iyer | Rochester HS | 3 |
| Ryan Barrett | Rochester HS | 4 |
| Dana Williams | Rochester HS | 4 |
| Pawel Vijayakumar | Rochester HS | 4 |

NEW BUSINESS

2019-0330 Request for Purchase Authorization - FACILITIES: Blanket Purchase Order for wireless cellular services in the amount not-to-exceed \$151,000.00 through June 30, 2022; Verizon Wireless, Basking Ridge, NJ

Attachments: [072919 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Vince Foisy, Communications System Administrator, explained that Verizon Wireless is the primary carrier for the City's cell phones and data services.

Lee Zendel, 1575 Dutton Road, reported the government allowed a merger of Sprint and T-Mobile this past week. He wondered if the action would increase competition and if the City should maybe avoid a 3-year contract.

Mr. Foisy explained it is not a contract, but a blanket purchase order to pay for continued service under current terms. The arrangement is on a month-to-month basis.

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

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

Enactment No: RES0232-2019

Resolved, that the Rochester Hills City Council hereby authorizes a blanket purchase order for wireless cellular services to Verizon Wireless, Basking Ridge, New Jersey in the amount not-to-exceed \$151,000.00 through June 30, 2022.

2019-0313 Request for Adoption of proposed ballot language to renew previously authorized, but expiring, Local Street Special Millages

Attachments: [072919 Agenda Summary.pdf](#)
[Snyder Memo to PSITRC 071019.pdf](#)
[PSITRC Minutes 071019 \(Draft\).pdf](#)
[Ballot Question.pdf](#)
[Resolution \(Draft\).pdf](#)

Allan Schneck, DPS Director, **Paul Davis**, City Engineer/Deputy Public Services Director, and **Joe Snyder**, Chief Financial Officer, were present.

Mr. Snyder explained the City of Rochester Hills currently has three separate Local Street millages (Local Street I, II, and III). The final time all three millages can be levied will be as part of the City's Winter 2019 Tax billing which will provide funding for FY 2020. The upcoming millage rates for all three combined millages totals 1.0965 mill and is anticipated to generate \$3,870,700 in FY 2020. The Local Street millages are a vital component of the Local Street Fund's annual revenue stream providing for nearly 40% of the Local Street Fund's annual expenditures.

He noted when each of the three separate Local Street millages were approved by voters there was no impact on the bottom-line City millage rate the year they began to be levied.

- Local Street I = Replaced an expiring Debt Service levy
- Local Street II = Reduction in both the Drain Debt and General Fund levies
- Local Street III = Replaced an expiring Green Space levy

Mr. Snyder reported the proposal for renewal was presented and discussed at the July 10, 2019 Public Safety and Infrastructure Technical Review Committee (PS&ITRC) meeting, and the PS&ITRC unanimously approved recommending that the Rochester Hills City Council approve including the combined Local Street Millage Renewal Ballot Proposal on the November 5, 2019 General Election Ballot. He stated that administration further requests City Council approval for an appropriation of up to \$20,000 for resident education materials related to the Local Street millage renewal, primarily to provide for the printing and postage of educational materials mailed to City residents.

Mr. Schneck confirmed for Vice President Morita the upcoming budget recommendation is to continue spending \$5 million/year on local street improvements for the next 10 years.

Vice President Morita, noted that a lot of the current \$5 million/year spending is coming from the General Fund and questioned how the millage dollars are being spent.

Mr. Snyder explained, as presented in the Seven-Year Financial Forecast, there are three major revenue sources for local streets: General Fund, Act 51 tax dollars, and the local street millage. He reported the condition of the local street network has improved dramatically in the five to six years the spending program for local street improvements has been in place.

Vice President Morita noted that the requested millage would not provide the entire \$10 million needed each year for the maintenance, repair, rehabilitation and reconstruction of local roads and streets, and questioned if \$5 million from the General Fund would still need to be utilized for the program each year.

Mr. Schneck confirmed the program will require, as it has for the past six years, the millage combined with Act 51 dollars and General Fund capital dollars to reach the needed \$10 million expense for the operation, maintenance, rehabilitation and reconstruction of local streets.

Vice President Morita stated that if the program needs more than the 1.0965 mills proposed, the change to an adequate millage levy should be made before submitting the proposal to the voters.

Mr. Schneck noted that the significant investment in equipment and technology makes the program more efficient, and stated that he is comfortable with the proposed millage level.

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

Aye 7 - Bowyer, Deel, Hetrick, Kubicina, Morita, Tisdell and Walker

Enactment No: RES0233-2019

Resolved, that the Rochester Hills City Council hereby approves placing the following Proposal on the November 5, 2019 General Election Ballot:

BALLOT QUESTION

LOCAL ROADS MILLAGES RENEWAL

Shall the City of Rochester Hills continue to levy up to a total of 1.0965 mills (\$1.0965 per \$1,000.00) on taxable value of property located in the City for ten (10) years beginning with Fiscal year 2021 and running through Fiscal year 2030, inclusive, which will raise an estimated \$4,046,230.00 in the first year if levied in full, to be used for maintenance, repair, rehabilitation and reconstruction of local roads and streets and to provide a source of matching funds to support special assessment and grant programs for local roads and streets. If approved, this will renew previously authorized, but expiring, local road special millages.

_____ Yes

_____ No

2019-0336 Request for Acceptance of the Engineer's Report for the proposed paving project of Bolinger Street and set the date of August 12, 2019 for the Public Hearing

Attachments: [120219 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[111819 Agenda Summary.pdf](#)
[Bolinger St SAD.pdf](#)
[100719 Agenda Summary.pdf](#)
[Rhodes Correspondence 091019.pdf](#)
[Assessor Report and Petition of Objections.pdf](#)
[072919 CC Minutes 2019-0336 Draft Excerpt.pdf](#)
[081219 CC Minutes 2019-0356 Draft Excerpt.pdf](#)
[072919 Agenda Summary.pdf](#)
[Engineer Report.pdf](#)
[Bolinger SAD District.pdf](#)
[Bolinger St SAD.pdf](#)
[Design Construction Cost Estimate.pdf](#)
[072919 Resolution \(Draft\).pdf](#)
[100719 Resolution \(Draft\).pdf](#)
[111819 Resolution \(Draft\).pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, **Allan Schneck**, Public Services Director, and **Paul Davis**, Deputy Public Services Director/City Engineer, were in attendance.

Mr. Davis noted that this item and the next item on the agenda are for different streets, but follow the same process which started at the end of 2017. He stated that one of the milestones in the Special Assessment District (SAD) process is to prepare an Engineer's Report and submit it to Council; this Report provides a summary and reflects the cost of the project and scope of work. He stated that the request before Council tonight is to accept the attached Engineer's Report and to schedule a public hearing on necessity to advance to the next step in the process.

President Tisdell stated that one of the concerns raised during several discussions is the cap of \$12,000. He noted that the SAD policy does require annual adjustments per Consumers Price Index (CPI) utilizing a specific source. He questioned when these adjustments will actually be made.

Mr. Snyder responded that the SAD policy states that the index to inflation factor utilized is from the Bureau of Labor Statistics Consumers Price Index less food and energy for the Detroit Metropolitan Area for each subsequent year. He explained that CPI inflation factor is updated every 2 months. He mentioned that the existing SAD policy went into effect in April of 2017 and recommends looking at the April inflationary factor each year which is released by early- to mid-May of each year. Per SAD policy, the cap should be indexed to inflation on an annual basis.

President Tisdell commented that the baseline goes up each year so it is an annual compounding. He stated that the \$12,000 figure that is there now was in

the petitions that they accepted in February 2018 for both Bolinger and Michelson. He questioned at what point in the process does the \$12,000 cap reset consistent with the SAD policy.

Mr. Snyder stated that they will know the number to reset it to in early May of each year. He explained that one of the next steps in the process is an opportunity for objections to improvements. At that point, it would be nice to let the residents know the new amount they would be in for and be able to make any objections. He noted that shortly thereafter is a draft special assessment roll so they would definitely want to have the number set by then.

President Tisdell stated that the opportunity to reject is a more lenient petition requirement at 50 percent plus one whereas the acceptance is 60% plus one. He mentioned that if residents were going to go through the rejection process it would be reasonable that they should have that proper cap figure prior to that time. He questioned if they had an approximate number from April 2017 to April 2019.

Mr. Snyder responded that it is 12,398.76 using the inflationary CPI factors from April 2017 to April 2018, then to April 2019. He noted that the next opportunity for that number to be reset is May 2020 so until then this is number.

President Tisdell questioned if there is additional language they should put in to note the \$12,393.76. He commented that what they are charged with this evening is accepting the engineering report, which does not commit them to anything nor does it say they agree with the number.

John Staran, City Attorney, stated that with Council's consent or direction, each year Mr. Snyder can create a short appendix that would be an annual adjustment, which would be administratively made and attached to the policy so that in May of each year we would have that updated number for any future projects.

President Tisdell noted that the policy was adopted in April 2017 and the petitions came in February 2018, which left a 10-month period. However, to prevent confusion in the future we will start off with a more accurate cap figure.

Vice President Morita thanked them for their hard work in putting these numbers together. She stated she has grave concerns about this project, noting that it is not in line with the SAD policy. She pointed out that the share is supposed to be 60 percent resident, and 40 percent City. However, it is the other way around where it would be 40 percent resident with the cap and 60 percent City, which then kicks in the economies of scale provision. She questioned if they had to wait for a time in the future in order to engage in economies of scale, would they have to redo all the engineering because the current costs would no longer apply. She shared the background as to why this policy was revised. She encouraged Council to read the policy, and noted there is a reason most of the share is on the residents who have not previously paid to pave their roads. She mentioned that those living in a paved subdivision already paid to pave their road as part of the construction of their subdivision when they bought their house. She stated that while she appreciates that there

is some cost savings to the City once we pave over gravel, it is not the intent of this policy to give people a gift or freebie that is not being afforded to every other homeowner in the City.

Mr. Deel stated this is essentially a three year process, with several different points in the process where the City will interact with the residents. He questioned when, pursuant to the SAD policy, does the cap attach and become fixed.

Mr. Davis responded that the policy is unclear as to when that should happen. He stated it is his opinion that it should take place when the engineer's report is submitted because it would let the residents know what the actual figure is so they could decide whether or not they want to undertake the petitions of objections phase. He mentioned other possible times is at the first or second public information meeting.

Mr. Staran stated that it is Council's policy and there is room for Council interpretation. He noted this process could take multiple years from start to finish, and noted that the City does not start firming up our numbers and the assessment until we get to the stage of presenting and confirming the special assessment roll. He explained that even at that point, there is still room for adjustment as we go out for pricing and contracting. He stated that Council also needs to consider some of the practicalities and equities if we have a moving target throughout the process, it is probably not going to sit well with the residents. However, he pointed out that if we lock in too early, then that puts the General Fund and the taxpayers at large at risk of picking up a larger share.

Mr. Deel commented that it is up to Council to interpret their policy.

Mr. Staran responded that if they arrive at an interpretation he suggested they state that for the record and perhaps ultimately bring it back as an amendment. He stated that for these projects that are before Council tonight, they should come to some type of consensus or majority as to how Council wants to construe their policy.

Dr. Bowyer commented that it has been two to three years since both the Bolinger and Michelson projects came in, and noted that the prices of road construction have gone up significantly in the last two years. She questioned how many SAD's we currently have in the works.

Mr. Davis responded that they have had some interest but do not officially have any further projects in the queue. The call for projects on the next round of consideration starts in September so there could be a request for an initial public information meeting and to start pursuing it.

Dr. Bowyer questioned if that were to happen would construction start on those next year, or in 2021 or 2022.

Mr. Davis responded that it is a three-year process so there would be a wait.

Vice President Morita stated that as one of the members who worked on

redrafting the 2017 policy, she wants to stress that there is nothing in the process or the policy which constitutes a compact with any of the residents, or any promise that we are going to go forward with the street construction. She noted she does not want anyone to think that just because they file petitions with the City that we are going to build the roads.

Mr. Kubicina stated that back in 2017 he spoke to the residents on Kingsview and Stellma Lane who wanted to participate in the SAD. He mentioned that when Council came up with the new policy of the 60/40 split they withdrew their intent because they did not think they could get the approval of the residents. He questioned why Bolinger decided to go ahead with it.

Mr. Davis responded that Bolinger and Michelson were included in the mix with the other two streets mentioned, and noted that even with the cap going from \$5,000 to \$12,000 they felt they still had support and wanted their roads paved. He commented that the other two streets just decided it was not worth the effort for whatever reason; they dropped out and we have not heard from them since.

Mr. Deel stated that the policy represents a give and take relative to if you build your own street, you are in control of it. When a residential subdivision is built, the developer builds the street the way they want to and has control over the project and the contracting for the project. However, when the residents engage in an SAD, they do not have the ability to contract as the City does. The City is in control of the pricing because the City is contracting out the labor. He pointed out that it is the intent here because the residents are not in control of the contracting process.

Mr. Davis explained that from a design standard standpoint the residents do not have control of how the roads are built. The City determines the amount of asphalt, the width of the road, and ditching being incorporated. He stated that the City does go through a process to bid these projects, and noted there are a number of different points in this policy where projects can either move forward or they can stop. He explained that he tells the residents that nothing is certain until Council awards the construction project, which is expected to be sometime in 2020 for these streets.

President Tisdell addressed the rationale behind most of this, stating that he has been on Council and served on the Public Safety and Infrastructure Committee during this SAD revision process. He pointed out that these dirt roads were designed to handle limited traffic, and as the City has grown many of the gravel roads are far beyond what they were designed for. He mentioned that the majority of the benefit goes to the residents so they flipped it from a 40 percent resident, 60 percent City to a 60 percent resident, 40 percent City. He noted that it was actually Mr. Hooper in some of the Committee meetings who identified the fact that the 60% participant is a partner in this; however, the City is not relinquishing control of the process. He added that they put a cap on their exposure and would accept the upside risk, noting the cap went from \$5,000 to \$12,000 as Mr. Davis indicated. He stated that they thought that would get us in the ballpark at the time, adjusting for inflation. He commented that the primary objective in all of this was so it goes through the standard CIP budgetary process, which makes it a three-year process so there are no surprises when

the money goes out. He noted that if Council does not like the numbers they can vote it down. He added that they had had to come up with a number that they thought was appropriate for a cap. He stated that at the time, they put the onus onto the individuals that were going to get the most benefit out of it and put it through the whole process so there would not be surprises. He explained that it was unacceptable when there were a couple of seven-figure obligations that popped up in the middle of the year where the money was going to have to come from the General Fund. He noted that was when they put everything on hold and went back to the drawing board. He commented that they did not rush through this revision process; it took 14 to 15 months to complete. He stated it is his recommendation that the inflation-adjusted cap number needs to be in before the rejection process starts.

Vice President Morita commented once Council finally approves the SAD roll, that would also start a protest period for property owners and questioned why the cap number would not have to be in by that time.

Mr. Staran responded that there are two protest periods. He explained that one will be the hearing on necessity, which is the next stage in this project where residents could support or oppose or file the objecting additions. The second opportunity is the second public hearing, which could be in October or November, when we get to the presentation of the special assessment roll and confirmation of the roll. He pointed out that, in fact, residents would have to protest at that time in order to challenge it any further.

Vice President Morita suggested that the City overestimates now what we think the inflation factor is going to be at the time the final assessment roll gets approved, and then if this final assessment roll does get approved and it happens to be \$100 less, the residents cannot be unhappy with that. She mentioned if we do not tell them upfront that the \$12,000 reflected in our materials right now is not the number that is it actually going to be and that it is going to be something higher, then that is cause for grievance from them. She stated it needs to be really clear that in both this item that we are discussing now, and the item that we are discussing next that there are proposed assessment rolls in there that are inaccurate and do not show the correct number.

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

Aye 6 - Bowyer, Deel, Hetrick, Kubicina, Tisdell and Walker

Nay 1 - Morita

Enactment No: RES0372-2019

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts the Engineer's Report for the proposed paving project of Bolinger Street and sets the date of August 12, 2019 for the public hearing on necessity for the project.

2019-0337 Request for Acceptance of the Engineer's Report for the proposed paving project of Michelson Road

Attachments: [120219 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[111819 Agenda Summary.pdf](#)
[Michelson SAD.pdf](#)
[100719 Agenda Summary.pdf](#)
[072919 CC Minutes 2019-0337 Draft Excerpt.pdf](#)
[081219 CC Minutes 2019-0355 Draft Excerpt.pdf](#)
[072919 Agenda Summary.pdf](#)
[Engineer Report.pdf](#)
[Michelson SAD District.pdf](#)
[Michelson SAD.pdf](#)
[Design Construction Cost Estimate.pdf](#)
[072919 Resolution \(Draft\).pdf](#)
[100719 Resolution \(Draft\).pdf](#)
[111819 Resolution \(Draft\).pdf](#)
[Resolution \(Draft\).pdf](#)

Mr. Davis stated that this item is another street in the SAD process and it is expected that all the properties included in the special assessment district will meet the cap.

President Tisdell stated that they give residents plenty of opportunities to realize that the \$12,000 figure will be adjusted, noting that it is more like \$12,400 today and could be higher. He commented that relative to Michelson and Bolinger, Ms. Sabbagh and Mr. and Mrs. Postiff have been absolutely wonderful to work with, and are very patient, persistent and professional.

(See discussion under Legislative File 2019-0336 above)

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

Aye 6 - Bowyer, Deel, Hetrick, Kubicina, Tisdell and Walker

Nay 1 - Morita

Enactment No: RES0373-2019

Resolved, that the Rochester Hills City Council, on behalf of the City of Rochester Hills, hereby accepts the Engineer's Report for the proposed paving project of Michelson Street and set the date of August 12, 2019 for the public hearing on necessity for the project.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, August 12, 2019 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, it was moved by Morita and seconded by Bowyer to adjourn the meeting at 10:32 p.m.

*RYAN DEEL, President
Rochester Hills City Council*

*LEANNE SCOTT, MMC, Deputy Clerk
City of Rochester Hills*

*J. CHERILYNN MYNSBERGE
Administrative Coordinator - City Council
City Clerk's Office*

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