



Rochester Hills

Minutes

City Council Special Meeting

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(248) 656-4600
Home Page:
www.rochesterhills.org

*Susan M. Bowyer Ph.D., Ryan Deel, Dale A. Hetrick, James Kubicina,
Jenny McCardell, Stephanie Morita and Mark A. Tisdell*

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, August 20, 2018

5:30 PM

1000 Rochester Hills Drive

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 Meeting would commence at 5:30 p.m. on Monday, August 20, 2018, to discuss the proposed 2019 Budget.

CALL TO ORDER

President Tisdell called the Special Rochester Hills City Council Meeting to order at 5:34 p.m. Michigan Time.

ROLL CALL

Present 6 - Susan M. Bowyer, Ryan Deel, Dale Hetrick, James Kubicina, Stephanie Morita and Mark A. Tisdell

Absent 1 - Jenny McCardell

Others Present:

*Tracey Balint, Public Utilities Engineering Manager
Bryan Barnett, Mayor
Tina Barton, City Clerk
Nancy Bowman, Senior Human Resources Advisor
Alan Buckenmeyer, Parks Manager
Nancy Butty, Fire and Life Safety Educator
Sean Canto, Fire Chief/Emergency Services Director
Rogers Claussen, Battalion Chief
Bill Cooke, Assistant Chief/Fire Marshal
Scott Cope, Building/Ordinance/Facilities Director
Paul Davis, Deputy Public Services Director/City Engineer
Matt Einheuser, Natural Resources Manager
Ken Elwert, Parks and Natural Resources Director
Todd Gary, Deputy Fire Chief
Pamela Gordon, Human Resources Director
Tim Hollis, Inspection Services Manager
Deborah Hoyle, Senior Financial Analyst
Captain Michael Johnson, Oakland County Sheriff's Office*

Kristen Kapelanski, Planning Manager
Kevin Krajewski, Acting Information Services Director
Denise Lator, Financial Analyst
Rochelle Lyon, Information Systems Administrator II
Tim Matz, Captain/EMS Coordinator
Lee Mayes, Captain/Assistant Fire Marshal
Mike McGinnis, Information Systems Administrator II
Pat McKay, Museum Manager
Gary Nauts, Facilities Manager
Sara Roediger, Planning and Economic Development Director
Allan Schneck, Public Services Director
Joe Snyder, Chief Financial Officer
Karen Somerville, Deputy Assessing Director
Helen Sultana-Kelly, Human Resources Program Coordinator
Tom Talbert, Strategic Innovations Specialist
Laurie Taylor, Assessing Director
Leslie Turnbull, Human Resources Advisor
Pamela Valentik, Economic Development Manager
Maria Willett, Chief Assistant to the Mayor

Ms. McCardell provided prior notice that she would be unable to attend.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

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

Absent 1 - McCardell

PUBLIC COMMENT

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Deel expressed his thanks to the Rochester Area Jaycees for a successful 5K run this past weekend that raised \$1,100 for Innovation Hills.

Mr. Hetrick noted that the Michigan Senior Olympics finished up this weekend; and announced that his wife, Terry, won three gold medals and one silver in Swimming.

PROPOSED 2019 BUDGET DISCUSSIONS

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

Joe Snyder, Chief Financial Officer, welcomed everyone to the Budget Workshop this evening. He introduced **Renee Cortright**, Executive Director, and **Tim Soave**, Finance Director, of the Older Persons' Commission (OPC).

Ms. Cortright recognized the members of Council appointed to the OPC Governing Board, Vice President Morita and Mr. Kubicina, along with Rochester Hills' appointed citizen representatives, Jack Dalton and Micheline Sommers. She expressed appreciation for their commitment and vision. She summarized OPC's 2017 achievements, highlighting the following:

- 121,668 meals served in their nutrition program; including 100,314 home-delivered meals
- 53,258 rides given in their transportation program, with 398,728 miles logged
- 50 participants in Adult Day Service
- 7,712 units of service for senior support
- 36,865 participants in enrichment and fine arts
- 2,350 participants in performing arts
- 148,129 participation over one year in fitness and aquatics activities
- 1,665 travelers on day and extended trips
- 43,300 volunteer hours

She commented that over 400,000 people walked in the door last year.

She noted that for 2019, revenues are planned of \$4,262,000 with expenditures of \$4,516,500.

Mr. Soave explained that the largest change is the planned use of Fund Balance. He pointed out that the OPC Board is not authorized to borrow money; therefore, any capital needs must come out of operating resources. She explained that the facility is getting older and needs attention. He noted that the Fund Balance Policy sets the floor of OPC's Fund Balance at 25 percent of annual expenditures, and that Fund Balance must be used for one-time costs only and never for operations. He stated that the proposed budget does contemplate the use of Fund Balance for the next three years to meet capital needs; and in the third year, OPC is still projected to have 32 percent in Fund Balance. He mentioned that while this is a projection, it is actually expected that the Fund Balance will be in a better position.

He stated that OPC has made some changes to move some positions to contracted positions. He noted that a two percent salary adjustment is proposed beginning in October.

He stated that the OPC's relationship with the Michigan Senior Olympics (MSO) will be changing. He explained that the OPC has provided administrative support

to the MSO for years, with the organization paying 100 percent of the direct costs. He noted, however, that MSO is moving into their own realm and will not be seeking the OPC's support, which while it removes revenue, it will also remove the associated administrative costs.

Council Discussion:

Mr. Hetrick questioned whether the capital expenses proposed are primarily building-related.

Mr. Soave responded that the list of projects are included in the budget document, and noted that the main items proposed are improvements to handicap doors in the bathrooms, improvements to the pool area, new boiler systems, and the OPC's five-year path to replace office computers.

Vice President Morita questioned the timing of the retirement of OPC's building millage and how millages are projected for renewal.

Ms. Cortright responded that the Operating Millage will be looking toward renewal in 2020. She noted that it is the OPC Board's intention to seek a ballot question in the near future.

Mr. Snyder explained that the last time the current Operating Millage will be on the tax rolls is Winter 2020. He noted that the OPC Building Bond will expire at the same time. He stated that something will be needed by Winter 2021 for Fiscal Year 2022.

Vice President Morita questioned whether it would be advantageous to roll the amount of the Building Millage into the Operating Millage.

Mr. Soave stated that the OPC Board deals with only the Operating and Transportation Millages. He explained that the Debt Millage is an issue for the City. He noted that it is the Board's intention to renew the Operating Millage.

Vice President Morita questioned whether the OPC intends to request an increase in the millage rate.

Ms. Cortright responded that an increase will be sought. She noted that a 36 percent increase in population is expected.

Mr. Snyder noted that the Building Debt Millage is 0.2 mill.

Mr. Soave stated that the current Operating Millage is 0.25 mill, and an increase to possibly 0.3 or 0.35 mills will be sought. He noted that formal discussions have not been held with the Board yet.

Dr. Boyer questioned whether the changes to contractual labor for some positions will leave enough people to cover the needs of the individuals coming to the building.

Mr. Soave responded that the individuals going to contractual labor are currently working part-time, and their hours will not change. He explained that this

will take these employees off of requirements for Social Security and Workman's Compensation contributions. He stated that there will be no reduction in staff or hours.

Discussed.

2018-0329 Discussion - O.P.C. Operating Fund (820) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[OPC 2019-2021 Proposed Budget Package.pdf](#)
[081318 Agenda Summary.pdf](#)
[081318 Resolution.pdf](#)

See Legislative File 2018-0340 for Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

Joe Snyder, Chief Financial Officer, introduced **Ron Jewell**, Executive Director of the Rochester Avon Recreation Authority (RARA).

Mr. Jewell stated that the RARA Board reviewed and approved the Fiscal Year 2019 and projected Fiscal Year 2020 and 2021 Budget unanimously at a Special meeting on July 31, 2018. He stated that RARA is now working on a three-year rolling budget which is fiscally conservative and works toward attaining RARA's 20 percent Fund Balance target. He mentioned that RARA has developed a seven-year Capital Improvement Plan.

He stated that a few years ago, RARA's program offerings were limited because it was unable to offer in-house programs. He explained that 2018 was the first full year of RARA's offering the following:

- 56,000 square feet of recreational headquarters
- 1,200 square feet of dance rooms, including four large rooms
- 8,200 square foot gymnastics wing
- 10,000 square feet of side-by-side indoor turf fields
- 10,000 square feet of side-by-side multi-court gymnasiums
- 1,100 square feet of indoor playscape
- 1,000 square feet of early childhood classroom space
- 800 square feet for a multi-purpose birthday party room
- 6,400 square feet of fitness and cardio areas, including 50 pieces of

equipment

- 2,500 square feet of a multi-purpose cardio room

He noted that just seven years ago RARA had only two of the ten mentioned amenities, and he commented that the expansion has set RARA up for better programming, allows it to control when and where programs are offered, and eliminated the need to pay rent for other facilities. He stated that now that the dust has settled, RARA staff is focused on bettering its programs. He highlighted the following areas of growth:

- From 65 adult teams in 2013 to 155 teams in 2017
- Dance registrations have grown from 3,200 in 2013 to 6,700 annually
- The Special Populations program has had 180 additional offerings in 2017
- Daycamp participants have increased from 1,800 in 2013 to 2,200 in 2017, a 20 percent increase
- RARA has gone from 3,300 members scans to 16,000 member scans in 2017

He noted that both membership and rental fees are expected to meet or exceed 2018 projections, and he pointed out that registrations have increased by 4,000 in seven years. He mentioned that RARA has offerings for non-traditional and homeschooled students, and offers preschool programs during the day.

Mr. Snyder stated that there have been many improvements and upgrades to RARA's physical facilities, and there have been several noted improvements to their financial structure this year. He pointed out that the structure is conservatively similar to the Rochester Hills model, with a three-year budget that can be extrapolated into a long-term plan. He stressed that the budgets work toward the goal of a minimum fund balance of 20 percent, and a Capital Improvement Plan (CIP) has been put into place. He noted that it is projected for a \$150,000 per year increase to Fund Balance, with a return to 20 percent Fund Balance in 2021. He stated that once Fund Balance is restored, the capital projects identified in RARA's CIP can move forward.

He explained that a wage and compensation study was completed earlier in the year, which determined that nine out of 10 of RARA's full-time staff were below the minimum recommended compensation, ranging from 10 percent below to 29 percent below. He noted that it would be too large of a financial impact to implement a change in year one, and he explained that the 2019 to 2021 budget includes a two percent general cost-of-living increase with a five percent catch-up for anyone below the minimum. He stated that Mr. Jewell proposed a redistribution of his seven percent increase to the other employees, meaning he would take nothing in the first year. The net impact of this redistribution is that Mr. Jewell will start 2019 at 11 percent below the minimum recommended compensation for his level, and the rest of the RARA staff would be brought up to 10 percent below the minimum. He explained that by using the five percent increase to catch up, staff will be at the recommended wage in 2021, and Mr. Jewell would achieve the recommended wage in 2022. He noted that if the redistribution did not occur, staff would not be up to minimums for three to six years.

Mr. Snyder stated that these changes have made tremendous improvements that will serve RARA well for years to come.

Council Discussion:

President Tisdell commented that there is about a five-fold increase in adult entries to the exercise area.

Mr. Jewell responded that it is a bit above that, and noted that RARA reached its 1,000th member. He mentioned that fall going into winter is also a high time for registrations.

Dr. Bowyer commented that it is good to be looking at a projection showing money going into Fund Balance. She pointed out that salaries that are 30 percent under market rate make it difficult to keep employees. She stated that she favors the redistribution of Mr. Jewell's increase. She questioned whether the RARA Board could override that suggestion.

Mr. Jewell responded that RARA's full and complete intent is to meet with the RARA Board next month to provide the rationale for that recommendation. He stated that it is crucial for RARA to hire staff and retain them.

Mr. Deel questioned where Fund Balance stands today, and what capital improvements would be necessary in the next few years.

Mr. Snyder responded that it is roughly at \$550,000. He mentioned that approximately \$100,000 came in for fall registrations.

Mr. Jewell responded that RARA took advantage of energy credits that DTE offered and upgraded to LED lighting in the 500 Building. He stated that this was the only improvement made, as both buildings and their components are in good shape.

Mr. Deel stated that he appreciates the hard work, noting that back in December he did not see how RARA could add to Fund Balance and phase in compensation increases.

Mr. Hetrick commended RARA on the proposed budget and for undertaking the compensation study. He questioned what the plan for capital spending would be for 2019 and 2020.

Mr. Jewell responded that approximately \$10,000 has been set aside for each fiscal year; however, it is hoped that this money would not be used and would be returned to Fund Balance.

Mr. Kubicina stated that he asked for a list of employees and when they started with RARA, and noted that there are a number of new employees starting work.

Mr. Jewell responded that three are coming online this fiscal year out of 10 employees.

Mr. Kubicina stated that he would applaud Mr. Jewell for not taking a pay raise; however, he thought the depletion of Fund Balance at the end of last year was reckless, along with offering a no-bid contract to a firm that had cost overruns. He commented that he heard from residents that the SCAMP and Camp Safari were threatened programs as they were not moneymakers.

Mr. Jewell responded that at no time was it discussed to drop those programs, and he stated that they will be at RARA as long as he is there.

Discussed.

2018-0330 Discussion - R.A.R.A. Operating Fund (808) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[RARA 2019-2021 Proposed Budget Package.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[081318 Agenda Summary.pdf](#)
[081318 Resolution.pdf](#)

See Legislative File 2018-0340 for Discussion.

Discussed.

2018-0328 General Budget Overview - 2019-2021

Attachments: [082018 Agenda Summary.pdf](#)
[082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[081318 Agenda Summary.pdf](#)
[081318 Resolution.pdf](#)

Joe Snyder, Chief Financial Officer, presented an overview of the Proposed Fiscal Year 2019 Budget and Projected Fiscal Year 2020 and 2021 Budgets.

He noted that key components in budget development included the following:

- The existing Fiscal Year 2018 Budget, as last year's projections helped set the foundation
- The 2019-2024 Capital Improvement Plan
- The Seven Year Financial Forecast
- The Strategic Planning Technical Review Committee's Fiscal Year 2019 Goals and Objectives, along with the Governmental Fund Balance Reserve Policy

An overview of the proposed Budget included the following:

- Continuing to present a three-year budget
- Budgets presented based on best estimates and projections
- Conservative estimates of both revenues and expenditures ensures that service levels proposed in the budget can be delivered

Proposed Expenditures include:

- A total budget of \$168,116,660 in expenditures, comprised of:
 - * Transfers out increasing due to the setting of governmental fund balances at the target range of the policy
 - * Public Service is 27 percent of the budget expenditures, or \$45,766,830
 - * Public Safety is 14 percent of the budget expenditures, or \$24,282,470
 - * Capital Outlay is 17 percent of the budget expenditures, or \$28,048,810

He noted that nearly \$100 million represents the City's commitment to public safety and infrastructure. He pointed out that the proposed Budget hopes to enhance the City's tax base (Council's Goal #3), focuses on Parks and Natural Resources (Council's Goal #4), increases trust in the Administration's management of funds (Council's Goal #5), and is fiscally responsible (Council's Goal #6).

He noted that Capital Projects proposed total \$28 million, of which two-thirds is road work. Major Road Projects total \$11 million, including the Auburn Road Corridor and Livernois Road from Avon to Walton. Local Street Work is proposed at \$6.5 million, including \$5 million for the Local Street Program, and approximately \$1 million for Local Street work around Auburn Road. Water and Sewer work and Facilities improvements are included, along with approximately \$2 million for MIS Technology improvements.

Mr. Snyder stated that the major sources of revenue include Water and Sewer revenues and Permit fees. He pointed out that it is proposed to maintain the same bottom line millage rate of 10.4605. He noted that State Shared Revenue and Act 51 revenues are showing signs of growth. Transfers-in to funds are larger than usual, reflecting the transfers-out to set fund balances.

He stated that the use of Fund Balance proposed is for capital projects, not operating expenses. He stressed that it will be a structurally balanced budget with overall annual operating revenues exceeding annual operating expenditures.

Mr. Snyder reviewed the various funds, noting the following:

- The General Fund shows an increase in expenditures because of a transfer out to the Capital Improvement Fund in 2019. This transfer will set the General Fund Fund Balance at 80 percent of annual expenditures.
- The Capital Improvement Fund is moving forward with the structural surplus in excess of 80 percent transferred in.
 - * 2019 projects include \$4 million to the Major Road Fund for the Auburn Road Corridor Project, \$1.5 million to the Local Street Fund, \$2.5 million for upgrades to City facilities, and \$500,000 to the MIS Department for a new electronic plan review software package.
- The Major Road Fund shows revenues from Act 51 increasing, along with supplemental appropriations and monies from the Local Development Finance Authority for 2018. Major Road work proposed for 2019 encompasses \$11 million, including Auburn Road and Livernois Road. Long-term Fund Balance is expected to grow.
- The Local Street Fund will see a decrease in Fund Balance for 2019 to set the

Local Street Fund at 25 percent of annual operational expenditures. Work for 2019 includes \$5 million for the Local Street Rehabilitation Program, \$1 million for the Auburn Road project, and \$400,000 for the paving of School Road from John R 1,700 feet eastbound.

- The Fire Millage is proposed to be kept status quo at 2.7 mill. A transfer-out in 2019 to Fire Capital will set the Fund Balance at 25 percent. With the additional transfer-in, the Fire Capital Fund should be secure through 2030.*
- The Special Police Fund will be slightly reduced from \$1.47 million to \$1.27 million to set the Special Police Fund Balance at 25 percent.*
- The Water Resources Fund will see no operational changes as there are fewer large projects for 2018 and 2019. The General Fund funds operations, and the Capital Improvement Fund will provide funds for Capital projects.*

He noted that there are two proposed full-time position requests, including one full-time Administrative Assistant to be split between the Parks and Planning Departments, and one DPS Assistant Foreman.

He stated that there is little change proposed for the General Fund cost center. He noted that Treasury has \$25,000 proposed for website enhancement to streamline and update payments for permits and other fees. He explained that this upgrade will be rolled out with the City's website upgrade that is proposed for 2019.

Mr. Snyder commented that he feels confident that the Proposed Budget is financially realistic and will enhance the quality of life for residents of the City, while not hindering or reducing Fund Balance to low levels. He stated that the Budget builds upon the City's success and is proactive and conservative.

Council Discussion:

President Tisdell *stated that the Proposed Budget is a credit to Mayor Barnett, the Directors, and to past City Councils. He pointed out that everything that is being accomplished is being done while the City is still one half-billion dollars behind the peak of Taxable Value in 2008.*

Dr. Bowyer *expressed her appreciation for a Budget that is easy to read and comprehensive. She commented that it is a brilliant move to move funds to the Capital Improvement Fund. She questioned whether Administrative Fees would be added to the new payment program.*

Mr. Snyder *responded that any fees would be the same as if a customer swiped a credit card. He commented that the current system is rather clunky; and he noted that this system is being used by Grand Rapids who have expressed that they are very pleased.*

Mr. Hetrick *commended the Budget Team for arriving at a Budget that has a structural surplus. He stated that the Fund Balance policies are outstanding and show transparency.*

Mr. Deel *commented that as a new Council Member, he found the Budget easy to get through.*

Vice President Morita expressed her thanks for responses to many pages of questions.

Mr. Snyder thanked Council for the questions that were submitted in advance.

Vice President Morita suggested that the Community Events be given a larger budget than the \$89,000 allocated as the Mayor's Committee on Diversity and Inclusion will most likely be scheduling some events in the coming year.

Mayor Barnett responded that this cost center was already increased somewhat for community promotions and for the Auburn Road Corridor Project and Innovation Hills. He commented that fortunately the team's fund raising has matched the increased efforts. He stated that while this would be up for discussion, the team is confident that there is enough in the budget to cover any events.

Mr. Snyder questioned whether this should be included as a straw poll item.

Vice President Morita responded that it would, and suggested a figure in the \$5,000 range.

Mayor Barnett commented that he does not believe that additional funds would go toward an event; however, there has been discussion about the possibility of engaging a facilitator for the Committee. He suggested that the funds could be used where they would best fit.

Vice President Morita concurred that Mr. Snyder could suggest where the additional funds would best fit.

Discussed.

2018-0339 Discussion - General Fund (100's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Assessing 2019-21 Budget Presentation.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl BUI-ORD-FAC 2019-21 Budget Presentation.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)
[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

GENERAL FUND REVENUE

MAYOR'S DEPARTMENT
- Mayor's Department (171)
- Accounting (201)
- Legal Services (210)
- Treasury (253)

- Media Division (271)
- Building Authority (279)
- Street Lighting (448)
- Community Development Block Grant (666)
- Community Events (760)

GENERAL FUND TRANSFER OUT

See Legislative File 2018-0328 for Council Discussion.

Discussed.

2018-0341 Discussion - Debt Services Funds (300's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)

DEBT FUNDS

See Legislative File 2018-0328 for Council Discussion.

Discussed.

2018-0342 Discussion - Capital Funds (400's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Capital Improvement Fund (420)

See Legislative File 2018-0328 for Council Discussion.

Discussed.

2018-0344 Discussion - Internal Service Funds (600's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl MIS 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Insurance Fund (677)

See Legislative File 2018-0328 for Council Discussion.

Discussed.

2018-0345 Discussion - Trust and Agency Funds (700's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)

- Retiree Healthcare Trust Fund (736)

See Legislative File 2018-0328 for Council Discussion.

Discussed.

2018-0339 Discussion - General Fund (100's) - 2019 Budget

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[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)
[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

ASSESSING DEPARTMENT:

- Assessing (208)
- Board of Review (247)

Laurie Taylor, Assessing Director, and **Karen Somerville**, Deputy Assessing Director, were in attendance to review the Assessing Department.

Ms. Taylor stated that after four years of negative adjustments to Taxable Value, there have been six years of increases. She noted that the increase was conservatively budgeted at 2.25 percent for 2019, and it will actually be 4.4 percent. She explained that the millages will fund all of their intended operations. She stated that the increase to Taxable Value is projected at three percent for 2020 and 2.25 percent for 2021.

She noted that the city lost over \$1 billion in Assessed Value over a period of six years. She stated that the 2018 Total Assessed value is over \$4.2 billion, gaining back everything that had been lost and more.

Ms. Somerville stated that the strong real estate market has led to a gap between Taxable Value and Assessed Value, which will leave the City in a good position should the market flatten or downturn. She mentioned that there has been a dramatic decline in Board of Review appeals, which peaked in 2009 and decreased by 93 percent for 2018. She added that foreclosures peaked in 2010, were only 24 in 2017, and only five thus far in 2018.

Mr. Kubicina commented that former Assessor Kurt Dawson must be very proud of Ms. Taylor and her team, as they hit the ground running after his retirement.

PLANNING DEPARTMENT

- Planning Commission (400)
- Planning Department (401)
- Zoning Board of Appeals (410)

Sara Roediger, Planning and Economic Development Director, **Kristen Kapelanski**, Planning Manager, and **Pamela Valentik**, Economic Development Director, were in attendance.

Ms. Roediger stated that it has been a very busy year in the Planning and Economic Development (PED) Department. She noted the PED goals are to Preserve, Enhance, and Diversify, diversifying options in housing and employment.

Ms. Kapelanski stated that Giffels Webster has been working on the Master Plan update, which must be revisited every five years as a State requirement. She noted that the Master Plan sets the long-term vision for future development and redevelopment of the city. She explained that public input has included over 700 survey responses, and noted that an open house will be held at the Village of Rochester Hills on September 13, 2018. She commented that adoption of the new Master Plan is projected for completion by the end of the year.

She explained that the Department has been kept very busy with development of 223 new residential units and 28 new site plans in 2017. Commercial development includes the Winchester District, Premier Academy, the Emagine expansion, ARaymond, and others. She noted that 2018 has yielded ten new plans for review, including the Legacy Project which will have 316 residential units.

Ms. Valentik stated that Rochester Hills businesses have been expanding and growing, and efforts have addressed a need to connect businesses with available real estate. She noted that 200 jobs were created in the technology parks; however, this number could have been higher as finding talent is difficult. She explained that 2017 was a year of relationship building with the existing business community to maintain growth.

She noted that the Auburn Road Corridor Project has been progressing, with the finalizing of preliminary engineering; and meetings were held with individual property owners. Discussions have included streetscape design. She mentioned that over 100 individuals attended the recent open house.

She stated that plans for 2019 include Auburn Road construction, work on a Master Thoroughfare Plan with the Department of Public Services, Redevelopment Ready Communities (RRC) Certification, and a focus on business and talent creation. She announced that a new shared position is proposed, with PED sharing a full-time administrative assistant with the Parks and Natural Resources Department to ensure quality customer service at both counters.

Council Discussion:

Dr. Bowyer expressed her thanks for the Department's hard work on the Auburn Road Corridor Project. She questioned whether a shared employee would be running back and forth to serve both departments.

Ms. Roediger responded that the departments are next to each other, and a space in-between will be redesigned to see both counters.

Mr. Hetrick questioned whether funding for the Master Thoroughfare Plan would come out of the DPS Budget.

Ms. Roediger responded that it would, as it will be a DPS-run project.

Mr. Deel stated that he has gotten to know department staff very well. He noted that he attended the Auburn Road Corridor open house and stated that it was well-attended with positive response.

Ms. Roediger responded that it has been a team effort, with DPS and OHM Consultants spending much time on the project.

Discussed.

2018-0346 Discussion - Component Units (800's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)

- Historic Districts Commission (804)
- Brownfield Redevelopment / Madison Park (843)
- Brownfield Redevelopment / Legacy (844)
- Local Development Finance Authority (848)

See Legislative File 2018-0339 for Council Discussion.

Discussed.

2018-0339 Discussion - General Fund (100's) - 2019 Budget

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[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

BUILDING / ORDINANCE

- Building Department (371)
- Ordinance Compliance (372)
- Weed Control (535)
- Facilities Fund (631)

Scott Cope, Building/Ordinance/Facilities Director, **Tim Hollis**, Inspection Services Manager, and **Gary Nauts**, Facilities Manager were in attendance to present the Building Department Budget. Mr. Cope noted that Bob White, Ordinance Manager, was unable to attend.

Mr. Cope explained that the Building Department consists of three divisions: Building, Ordinance and Facilities.

Mr. Hollis reviewed the Building Division, noting that its mission is to partner with its customers to ensure safety in all buildings. He mentioned that Building Safety Month events are held at Home Depot and the Older Persons' Commission, department staff meet with contractors in the field, and customer service is provided at the counter. He noted that 2017 was an unusual year with more new home permits than in the last 25 years, mostly due to the Barrington Park project. He explained that average construction cost for the first six months of 2018 increased by 27 percent, again due to the completion of the Barrington Park project. He commented that over 200 manufactured homes were constructed in the manufactured home communities last year.

Mr. Cope reviewed the Ordinance Division, noting that staff assist residents and business owners in maintaining and enjoying safe buildings and properties. Department staff address blight, vehicles, and signs in the right-of-way. The Ordinance Division also coordinates the Single Trash Hauler program, performs garbage truck inspections, coordinates the Oakland County NO HAZ Program, and holds Homeowners Association Forums.

Mr. Nauts stated that the Facilities Division is focused on the objective to continually review City facilities to ensure they are aesthetically pleasing and operational for all City staff. He listed the Capital Improvement projects for 2019 through 2021, noting that 2019 will see work on the City Hall Compound Gate, the Museum School House Siding, Fire Station LED Signs, and the City Hall Chiller.

Public Comment:

Lee Zendel, 1575 Dutton Road, questioned an item for \$72,000 which he stated was a Capital item and not maintenance or repair. He requested information on the cost of the Generac generator proposed.

Vice President Morita responded that the Dairy Barn generator is being purchased with overcapacity as it will avoid the purchase of another unit later. She explained that the building has four furnace and air conditioning units, and the generator will eventually support another building as well.

Mr. Cope noted that the generator size will be determined when it is put out for bid.

President Tisdell mentioned that the cost may not be \$72,000, and this figure is being included as this is what is anticipated for future flexibility.

Mr. Cope stated that this is a conservative estimate, and he would rather see the cost come in lower than budgeted.

Council Discussion:

Dr. Bowyer questioned whether the compound wall repair will be complete before the gate is installed.

Mr. Cope responded that drawings are being finalized for the wall work. He pointed out that there is a gas service in that location, and staff are working with Consumers Energy to see how the footings can be modified to work around the service. He noted that construction will most likely not begin until spring, and the wall will be completed before the gate. He stated that staff looked into doing the projects together; however, different contractors were required and it was determined that it would not be prudent.

Mr. Kubicina expressed his appreciation to Mr. White and Ordinance Staff, as they have helped him out a number of times with signage issues, and to Mr. Hollis for helping with a drainage issue.

Vice President Morita questioned the Fire Department LED signs included at \$80,000 each.

Mr. Cope responded that this was a rough estimate included based on the City Hall sign which was completed seven years ago. He noted that these are smaller signs; however, there is much structural and foundation work going along with their installation.

Vice President Morita stated that she would question whether an LED sign was needed at every station. She requested that this item be included in a straw poll to Council.

Mr. Cope responded that consistency of all signs is proposed, and he pointed out that it will be a message board that will allow communications from City Hall to be displayed throughout the community. He stressed that all the signs at the stations need some work.

Vice President Morita responded that she is not opposed to a monument sign at the stations; and stated that the only station she would consider for an LED sign would be the main Fire Station #1.

Mayor Barnett stated that the City's leadership is challenged by the need for communication with residents. He commented that the number one way that the boil water alert was conveyed to the neighborhoods was through the A-frame signs in the neighborhoods. He stressed that 91,000 cars drive by the fire stations each day, and these signs would provide a way to get messages out to all four Council Districts with one push of a button.

Mr. Deel stated that the fire stations are strategically placed in geographically diverse areas of the city. He commented that the signs would be an effective mechanism to get information out to the public.

Vice President Morita requested information be sent to Council regarding the expected life of the sign along with updated costs. She stated that she would be more inclined to support the signs if the total was in the range of \$200,000 rather than \$400,000.

Mr. Cope responded that his estimate of life expectancy of the signs is 10 to 15 years.

Dr. Bowyer questioned whether the Sign Ordinance would need to be changed in order to have these signs at the stations. She expressed concern that if the Ordinance had to be revised, it may be difficult to stop subdivisions from installing them.

Mr. Cope responded that he knows that the fire stations are allowed by Ordinance to have LED signs; however, he was not certain of the regulations for subdivisions.

Mayor Barnett commented that they would be rather cost-prohibitive for subdivisions. He stated that most businesses that want them already have them. He stated that he did not expect to see them in neighborhoods. He pointed out that the City's Ordinance limits their lumens, amount of change, and light dispersement.

Mr. Cope stated that he would look into the Ordinance and respond to Council.

Discussed.

2018-0344 Discussion - Internal Service Funds (600's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl MIS 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

MIS
- MIS Fund (636)

Kevin Krajewski, Acting Information Services Director, **Rochelle Lyon**, Information Systems Administrator II, and **Mike McGinnis**, Information Systems Administrator II, were in attendance.

Mr. Krajewski stated that information security is intriguing and commented that the MIS Department acts as the City's cyber-army, protecting the digital assets of the City. He mentioned that Ms. Lyon has been accepted into the FBI's InfraGard program, which partners the FBI with other entities.

He mentioned that notable projects include work on evaluating alternatives for the City's aging financial management system, and a Building/Plan Review system. He stressed that amounts budgeted are estimates at this point. He explained that the City has a cloud-first strategy. He mentioned that the City will be negotiating a new Microsoft agreement. A new system is planned for disaster recovery.

Council Discussion:

President Tisdell noted that the capital investment in plan document review will replace some labor investment.

Mr. Krajewski stated that plan review will be digitized and may end up being either a capital project or a cloud-hosted system.

Mr. Hetrick questioned whether the financial software work was incorporated into the payment system mentioned earlier.

Joe Snyder, Chief Financial Officer, responded that the project included in the MIS Budget is for the main financial system of the City.

Dr. Bowyer questioned whether \$19,000 included for travel and seminars was enough to keep up with the cutting edge of what is happening in the cyber world.

Mr. Krajewski responded that the amount was increased a few years ago and has been sufficient for the last few years.

Dr. Bowyer questioned the amount of \$100,000 for contractual software.

Mr. Krajewski responded that this includes the Microsoft licensing for use throughout the organization.

Dr. Bowyer questioned whether the website search engine could be improved.

Mr. Krajewski responded that this will be a requirement in the website redesign.

Mr. Deel expressed his appreciation that cloud options are being explored, noting that while they come with annual costs, obsolescence makes it more prudent. He commented that the MIS Department serves every other City department.

Discussed.

(Recess 7:33 p.m. to 8:00 p.m.)

2018-0339 Discussion - General Fund (100's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Assessing 2019-21 Budget Presentation.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl BUI-ORD-FAC 2019-21 Budget Presentation.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)
[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

CLERK'S

- City Council (102)
- Elections (191)
- Clerk's Department (215)
- Cemetery (276)

Tina Barton, City Clerk, was in attendance to present the Clerk's Department Budget.

Clerk Barton noted that community outreach by the Clerk's Department included an increasing number of passports processed, with 1,375 passport applications submitted and 837 pictures taken in 2013 increasing to 839 passports and 471 pictures so far in 2018. She pointed out that the same amount of passport processing has occurred even though hours were reduced in half. She noted that passport services continue to receive perfect audit scores by the Department of State. She mentioned that passport revenues are projected to increase by approximately \$15,000, as the Department of State increased the facility acceptance fee from \$25 to \$35 this year.

She explained that the City was one of the first to use the new election equipment in 2017, and implemented the new QVF Refresh election database in 2018. She noted that an Active Shooter Training video was shown at all election training sessions. She pointed out that over 40 staff hours were expended in the training of 250 Election Inspectors. She stated that election staff were prepared for the ballot shortages experienced in the Primary Election, and this preparation was one of the reasons why the City's election was so successful. She noted that Rochester Hills is one of three Michigan communities that have been selected to pilot Risk Limiting Audits.

She stated that the Department has a goal of long-term beautification of the Cemetery; and she mentioned that a new pole barn is being constructed, along with installation of security cameras. She pointed out that the Cemetery was the only location in the City where its assets were not protected with cameras.

She stated that in 2018, Clerk's Office staff brought their expertise to international, national, statewide, and county stages, and she mentioned that Deputy Clerk Leanne Scott is the current president of the Oakland County Clerk's Association. She listed the many professional accomplishments of Department staff.

She noted that the Rochester Hills Government Youth Council program is one that the City can be very proud of, and she reported that they have been involved in many activities over the past year. She stated that the future leaders for the entire region are the young people who comprise the Youth Council.

Council Discussion:

President Tisdell stated that passport processing has been growing, and commented that other communities refer their residents to Rochester Hills.

Clerk Barton responded that many post offices and communities that process passports require appointments. She added that word has gotten out to FCA (Chrysler) and other companies that send their employees here to apply.

President Tisdell commended Clerk Barton and Deputy Clerk Scott for the work they have done with the Cemetery. He stated that it is an exceptional property and is absolutely beautiful.

Dr. Bowyer mentioned that new rules in 2020 will go into place where passports are required more often for travel.

Mr. Kubicina noted that the Clerk's Office had to find temporary locations for nine precincts for this past election while the schools were being remodeled.

Mr. Deel stated that he sees first hand how the work with the Youth Council will change the world.

Discussed.

2018-0345 Discussion - Trust and Agency Funds (700's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)

- VHJSC Cemetery Perpetual Care Trust (752)

See Legislative File 2018-0339 for Council Discussion.

Discussed: VHJSC Cemetery Perpetual Care Trust.

2018-0339 Discussion - General Fund (100's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Assessing 2019-21 Budget Presentation.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl BUI-ORD-FAC 2019-21 Budget Presentation.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)
[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

HUMAN RESOURCES

- Human Resources Department (233)

Pamela Gordon, Human Resources Director, **Nancy Bowman**, Senior Human Resources Advisor, **Helen Sultana-Kelly**, Human Resources Program Coordinator, and **Leslie Turnbull**, Human Resources Advisor, were in attendance.

Ms. Gordon noted that Ms. Turnbull joined the Department as a full-time employee last spring, after 11 years of part-time employment. She stated that Ms. Bowman has announced her retirement, effective in October. She thanked her for 24 years of dedicated service to the City. She noted that Shannon Smith is a part-time staff member for the Department, and announced that part-time employee Margaret Hock recently left the City for full-time employment elsewhere.

She noted that the Department will be focusing over the next year on supporting the City's vision on Accountability, Collaboration, and Engagement. She announced that a new Performance Review process will be implemented in 2019 which will be tied to pay progression for all employees on the new pay schedule. She explained that the Department will host an on-site supervisor training series on topics of managing and coaching performance. The Department will collaborate with Oakland County's Training and Development Office, and will also collaborate with the Oakland County Sheriff's Office on developing a plan to reduce the threat of workplace violence for City employees and guests. She mentioned that all work spaces have been reviewed along with the auditorium, and measures will be implemented to increase safety.

She stated that another collaboration is the HR Roundtable initiated by Ms. Bowman, that has grown to 35 participants representing Wayne, Oakland, and Macomb Counties. Area professionals share information and resources.

She explained that the employee-driven wellness program has stepped up engagement activities, and simplified the process of earning the Wellness Benefit. She pointed out that participants in the first half of 2018 have exceeded last year's totals.

A recruitment video showed the City's efforts to attract new talent.

Council Discussion:

President Tisdell questioned where the video will be running.

Ms. Gordon responded that it will be linked to the City's website in the job postings area.

President Tisdell suggested the video could be pushed out to other organizations or distribution partners. He commented that there are programs reaching out to draw younger adults into public service and promote diversity and inclusion.

Ms. Bowman commented that the video is on YouTube and could be pushed out to the City's social media sites.

Ms. Gordon stated that Tom Talbert, Strategic Innovations Specialist, is spearheading diversity and inclusion recruitment. She noted that one of the areas of focus is to encourage college-level individuals to get some exposure to working in the government sector.

President Tisdell commented that after the recession there has not been the same interest in public service as there was before.

Dr. Bowyer questioned whether everyone has adjusted to the result of the compensation study.

Ms. Gordon responded that the Administration is still in negotiations with the largest bargaining unit to bring them onto the schedule. She commented that it

has had positive reaction from employees in the other units. She explained that the comprehensive performance review process is the next step.

Dr. Bowyer questioned how the Health Savings Account worked for employees and how matching occurs.

Ms. Gordon explained that the Health Savings Account goes along with the high-deductible health care plans. She noted that both employer and employee can contribute to the account; however, the amounts do not expire and the account belongs to the employee. She stated that it is a very good way to build toward future medical costs and retirement. She explained that the City currently contributes \$1,400 each year for an employee who is single, and \$2,800 for two or more. She commented that employees can add to that as well, to a maximum allowed of \$6,000.

Mr. Deel congratulated Ms. Bowman on her announced retirement.

Vice President Morita questioned why Major Road Salaries increased somewhat; however, the health and optical for these positions went up 226 percent.

Ms. Gordon responded that it is dependent on the level of coverage that the employee selects, and family changes affect the amount. She explained that the base plan costs the City approximately \$9,000 for a single employee; and if family coverage is needed, that increases by \$10,000 to almost \$20,000. She pointed out that these costs vary from year to year. She stated that the health insurance renewal shows no significant increase out of the ordinary for 2019. She noted that dental insurance costs are similarly affected.

Mayor Barnett noted that Pathway to Public Service is a program piloted by a \$50,000 grant from Wells Fargo to encourage more young adults to be interested in public service. He commented that Rochester Hills is Ground Zero for finding engaged individuals.

Ms. Gordon noted that Mr. Talbert presented the Pathways to Public Service program at the HR Round Table.

PARKS

- Parks Department (756)
- Natural Resources Division (774)

Ken Elwert, Parks and Natural Resources Director, **Alan Buckenmeyer**, Parks Manager, **Matt Einheuser**, Natural Resources Manager, and **Pat McKay**, Museum Manager, were in attendance to present the Parks Budget.

Mr. Elwert stated that the Parks and Natural Resources Department builds connections in the community, neighbor to neighbor, neighbor to nature, and neighbor to history. He noted that the department represents three divisions, Parks, Natural Resources, and Museum. He highlighted the following:

- An entire new Museum Display project is underway, which focuses on the Van

Hoosen Family. In addition, fund raising continues for the new Equipment Barn planned for construction in 2020.

- The Parks Division is moving to tablet-based regular inspections in the field, and is developing increased levels of service for landscaping citywide.*
- The Natural Resources Division is undertaking a Forestry Operational Plan and Tree Canopy Study, as the last study was completed in 1986. Stewardship is planned for park properties as well.*
- Outdoor Engagement activities serve 1,000 people annually, with a satisfaction rating of 4.75 out of 5. Programs are available for children and adults, and many have sold out.*
- The Department is requesting two additional seasonal laborers to support increased citywide landscaping and improved park appearance. In addition, a joint Administrative Assistant is proposed to be shared with the Planning and Economic Development Department.*
- Innovation Hills has received the benefit of \$1,570,000 to date in partnerships, including grants, in-kind services, and private/business donations.*

Mr. Elwert stated that the Department has a strong and committed team. He expressed appreciation for Council's support.

Council Discussion:

Dr. Bowyer stated that she is pleased to see Innovation Hills coming along. She questioned whether there will be a Phragmites Ordinance coming up, as there are areas where they are seven feet tall and hanging into the roadway.

Mr. Elwert responded that the Natural Resources Manager is looking at what other communities are doing. He commented that they are looking into joint permits which would allow residents to piggyback onto City permits to fight Phragmites.

Dr. Bowyer mentioned areas where they are on Livernois.

Mr. Elwert stated that Livernois is a County Road, and commented that they would look to DPS to work with the County.

Vice President Morita expressed her appreciation for the Department asking for more help with beautification of the City's parks, noting that aesthetically pleasing City facilities are a goal of City Council. She suggested that more transparency be conveyed in what is happening with Innovation Hills to the neighboring areas.

Mr. Elwert responded that Facilities, DPS, and the Parks Department have been working with the Mayor's direction to analyze who should be undertaking the various functions at the Park.

Vice President Morita stressed that the park offices should be appropriately revamped in order to have employees feel that they are valued and have good working conditions.

Mr. Hetrick stated that there should be a long-term vision of where natural

resources can make the biggest impact with the residents. He noted that it is great that a customer service rating has been implemented for the programs.

Mr. Elwert responded that it has been a team effort and all comments are read.

Discussed.

2018-0346 Discussion - Component Units (800's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)

- Museum Division (802)

See Legislative File 2018-0339 for Council Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Tree Fund (232)

- Green Space (299)

See Legislative File 2018-0339 for Council Discussion.

Discussed.

2018-0346 Discussion - Component Units (800's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)

- RH Museum Foundation Trust Fund (870)

See Legislative File 2018-0339 for Council Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

SPECIAL POLICE FUND
- Special Police Fund (207)

Captain Michael Johnson, Oakland County Sheriff's Office, was in attendance. He noted that he has been the Substation Commander for the past ten years, overseeing the day-to-day activities of the City's deputies and command officers.

Joe Snyder, Chief Financial Officer, noted that the Police Millage II is proposed to decrease from 1.47 to 1.27 to set the Special Police Fund at 25 percent of operations. He pointed out that the Headlee cap for the Police Millage is 2.4 mills, and the City is at one-half of what it could levy.

Captain Johnson noted that the City is in its second year of its contract, and the labor contract with both unions expire this coming October. He explained that a new contract will be proposed for 2019 and 2020 this fall. He reviewed the statistics for 2017 police activities:

- Total Calls for Service in 2017 were 33,614, close to the 2016 number of calls, and both 2016 and 2017 were approximately 2,000 calls higher than any previous year.
- Calls for Service in 2018 show the continuation of the increase, and are at 17,600 through the end of June.
- Part A Crimes are more serious, and have decreased and leveled out.
- Part B Crimes against property and less serious crimes against persons are up slightly, but are still down from the levels they were 10 years ago.
- The 2006 False Alarm Ordinance continues to reduce false alarms, addressing repeat offenders. The yearly registration is simple and can be done through the City's website, and reregistration can be done by phone.
- Overtime hours trended slightly higher for 2017. This is the fifth year that officers can opt to use compensatory time rather than receive overtime. This has saved the City money.
- Two deputy positions were added in January of 2018. Deputy Mark Hickson is Community Liaison Officer, and has been able to have a greater presence with homeowners associations and throughout the inclusion network of organizations. Deputy Bob Kozlowski is the new afternoon deputy, and has attended to 147 traffic crashes and written 900 citations since January. The addition of these two members have returned staffing to pre-recession levels.

Council Discussion:

President Tisdell noted that the Community Liaison Officer budget included a car that is shared with the Detectives. He commented that the Detective head count has remained static; however, their workload has increased.

Captain Johnson noted that the Community Liaison Officer can address calls for service as well.

President Tisdell mentioned that the City has earned awards for being a Safest City, and also has the lowest per capita expense for law enforcement in the State.

Discussed.

2018-0339 Discussion - General Fund (100's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Assessing 2019-21 Budget Presentation.pdf](#)
[Suppl Planning 2019-21 Budget Presentation.pdf](#)
[Suppl BUI-ORD-FAC 2019-21 Budget Presentation.pdf](#)
[Suppl Clerks-Elec-Cemetery 2019-21 Budget Presentation.pdf](#)
[Suppl HR 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)

- Crossing Guards (315)

See Legislative File 2018-0340 for Council Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

FIRE DEPARTMENT

- Fire Department Fund (206)

In attendance were **Sean Canto**, Fire Chief/Emergency Services Director, **Todd Gary**, Deputy Fire Chief, and **Nancy Butty**, Fire and Life Safety Educator.

Chief Canto, Fire Chief/Emergency Services Director, stated that the Mission of the Fire Department is to protect and preserve life, property, and the environment through a highly-trained and dedicated team. Three ideas form the basis of the mission, including what is best for the community, what is best for the Department, and what is best for the member. He highlighted 2018 accomplishments, noting the following:

- Purchased a new aerial ladder through the current Fire Apparatus Contract. Since the inception of the contract, the City has saved \$470,000.
- The City's apparatus complement has been standardized.

- Current projections show that the Fire Capital Fund will be solvent through 2030.
- The Department began a second recruit class toward the end of 2017, with the group graduating in early 2018. The addition of these personnel assisted to minimize overtime and improve overall service levels to the residents.
- Rochester Hills has received an ISO Rating of Class 2. This is one of only eight departments in Michigan to have a Class 2 rating, and only three percent of the fire departments in the nation are rated Class 2.
- Construction of Fire Station #4 is nearing completion, scheduled for October 2018.
- The Fire Department completed their five-year Strategic Planning Process in 2018. The Strategic Plan will be the organizational blueprint for the Department.

Chief Canto reviewed the number of times that the Department has been without a unit, noting that with the exception of a rare occurrence in April of a number of concurrent incidents, these numbers are dropping. Year-to-date average response time is five minutes and 41 seconds. Total calls for service have increased between 2006 and now as a result of the increase in assisted living, senior living, and nursing home facilities in the City. From 2006 to 2017, incident volumes have increased by almost 2.5 times; and these numbers continue to grow.

He listed the challenges for the future, noting the following:

- Incident volumes continue to grow, with 2018 on pace for over 7,300 incidents. The Department responds to one incident every one hour and 14 minutes.
- The Community Risk Reduction Division is challenged to keep up with increased demands.
- The candidate pool for part-time and full-time personnel is sparse.
- There is a need for consistent mutual aid/automatic aid response when needed. The 2017 average response time for mutual aid was 15 minutes and three seconds.

He stated that the Department will be going through a Strategic Planning Cycle and noted the goals for 2019:

- Continue to address health, fitness and wellness of personnel
- This movement continues to gain momentum industry wide as knowledge is gained about the threats posed by the job
- Continue to identify areas of potential hazards within the community
- Increase exposure to senior population for slip, trip and fall prevention
- Further relationships with senior living facilities to address fire and life safety concerns

Chief Canto stated that the Department's goal is to improve the residents' quality of life.

Council Discussion:

Dr. Bowyer commented that the Class 2 rating has saved her approximately \$200 per year on her home insurance; however, she did shop around for a company that offered a lower cost because of the rating.

Mr. Kubicina stated that he is convinced that Rochester Hills has the best Fire Department in the state. He encouraged Council Members to do a ride-along.

Mr. Hetrick noted that response time is dropping despite the increase in calls. He stated that he looks forward to reviewing the Strategic Plan once it is developed.

Vice President Morita commented that she had previously helped to draft a North Oakland Mutual Aid Agreement, and noted the 15 minute response time for units coming in to render aid. She questioned whether the Mutual Aid Agreement is doing the City any good.

Chief Canto responded that many communities in the agreement are smaller than Rochester Hills, and their staffing model makes it difficult for them to provide consistent mutual aid. He explained that he has been tracking response time. He noted that everyone's times are going up.

Vice President Morita stated that the idea behind the development of an agreement is that communities have unused assets; however, it does not seem to be working like that any longer. She commented that it may be time to review the agreements and determine if they need to be restructured.

Chief Canto responded that the departments are finding that their day-to-day responses are starting to take up much time. He stated that medical runs are 73 percent of the Department's run volumes. He noted that mutual aid is designed for larger events such as structure fires. He mentioned that a mutual aid agreement to join the OAKWAY Pact will be coming before Council at the August 27, 2018 meeting.

Vice President Morita stated that the City's neighbors should not be counting on the City to provide services if the Department is extremely busy.

Chief Canto responded that the City is actually able to provide more services than it is asked to render.

Vice President Morita noted that more continuing care retirement communities are coming online and questioned whether the Department is providing information on other ways that assistance can be rendered.

Chief Canto noted that in 2017, 73 percent of EMS incidents involved patients age 55 and older, and these incidents occur in single family residential homes as well as in facilities. He pointed out that SEMCOG data notes a 15 percent increase in residents 65 or older in Rochester Hills.

Tim Matz, Captain/EMS Coordinator, stated that in 2016 the Department responded to 754 falls with 608 lift assists. In 2017, this number increased to 1469 with 770 falls and more lift assists. He noted that this year's numbers are at 555 falls on pace for 870. He stated that to date this year, lift assists have decreased to 562.

Vice President Morita questioned whether this was an educational issue and if there is any way to decrease the trend.

Chief Canto noted that many facilities are charging for calls to facilities. He pointed out that independent living facilities are not licensed to touch the individual. He stated that in addition to falls, more cardiac issues are encountered.

President Tisdell questioned whether third party payments are received on EMS calls.

Chief Canto responded that they are not received for lift assists; however, other services can be reimbursed. He stated that Medicare and Medicaid do not pay for lift assists. He commented that these services can be billed; however, they may not be paid.

Vice President Morita stated that she would support looking into this issue.

Todd Gary, Deputy Fire Chief, noted that the Ordinance was structured to bill assisted living and nursing homes for services. He explained that most of the falls occur at senior congregate care facilities or apartments, and residents would have to be billed in their homes. He stated that the Public Safety and Infrastructure Technical Review Committee did not show much support to bill the residents in their homes.

Vice President Morita questioned the cost for a run, and stated that she would be willing to revisit the topic.

Chief Canto responded that a basic life support run paid through insurance is approximately \$425.00.

Dr. Bowyer questioned whether two people need to respond to lifts.

Chief Canto responded that most of the time two respond; however, they have had occurrences where four to five individuals are sent. He noted that Captain Matz visited facilities to discuss the issue and their response was that the call is made to EMS due to their liability concerns.

President Tisdell noted that his experience with his mother is that the facilities are not licensed to provide that kind of care. He commented that it will be a growing problem. He commended the Department for working closely with DPS to standardize the fleet to Freightliner for ambulances and Pierce for apparatus.

Discussed.

2018-0342 Discussion - Capital Funds (400's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Fire Capital Fund (402)

See Legislative File 2018-0340 for Council Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

D.P.S.

- Major Road Fund (202)
- Local Street Fund (203)
- Pathway Maintenance Fund (214)

Allan Schneck, Public Services Director, **Paul Davis**, Deputy Public Services Director/City Engineer, and **Tracey Balint**, Public Utilities Engineering Manager, were in attendance to present the DPS Budget.

Mr. Schneck recognized several DPS staff members who were not in attendance, including Leon Luedeman, Water and Sewer Operations Manager, Jeff Fox, Roads and Pathways Operations Manager, Paul Shumejko, Transportation Engineering Manager, and Bruce Halliday, Fleet Manager.

He listed the DPS Department services, including Roads and Pathways, Fleet, Engineering/Administration, and Water and Sewer. He mentioned that the DPS Fleet came in as the 47th out of 100 Best Fleets in America. He stated that the DPS Department celebrates and welcomes the new housing development, and noted that with growth comes additional responsibilities. He pointed out that the largest area of growth is in the Pathway System. He noted that an additional Assistant Foreman position is recommended for 2019.

He listed projects for 2018 and 2019, noting that there are approximately \$20 million dollars in public projects for each year. He mentioned the 2019 projects include the Auburn Road Corridor, Livernois Reconstruction, School Road Paving, Concrete, Asphalt and Pathway Programs, and Watermain Replacement Program. He explained that the Department collaborates and has partnerships with many organizations with outstanding outcomes. He mentioned that the North Oakland County Water Authority has saved the City over \$4 million in commodity costs over the past three years. He noted that State Senator Marty Knollenberg was able to secure \$1.3 in funding for the City.

He stated that technology improvements have been a great help to the City, including the AVL System, Smartphones, iPads, Winter Vehicle Enhancements and Vendor Management Improvements. Equipment management keeps future needs up to date.

Mr. Schneck noted that the DPS Department stands ready to respond 24 hours a day, seven days a week.

Council Discussion:

Vice President Morita stated a project for preliminary engineering in 2019 and construction in 2020 is the repaving of Star Batt Drive. She questioned the length of the road, and noted that there have been complaints of rubber on the roadway due to an asphalt plant in the area.

Mr. Schneck stated that DPS staff have worked with the company and the roadway has been cleaned.

Mr. Davis responded that Star Batt Drive encompasses approximately 2,300 feet of asphalt roadway east of Crooks Road, and noted that it is in very poor condition with a Pacer Rating of 2. He explained that a complete removal and replacement is proposed with integral curb sections at a cost of approximately \$1.66 million.

Mr. Kubicina gave credit to Fleet Manager Bruce Halliday and his team, noting that this is not the first year they have made the Top 100.

Mr. Schneck responded that it is the fourth year, and over 38,000 fleets are rated.

Dr. Bowyer expressed her thanks to DPS staff members for their work on the Auburn Road Corridor and negotiation with the Michigan Department of Transportation. She questioned whether monies on Livernois will be advanced out of the Capital Improvement Fund (CIP) and return to the Major Road Fund.

Joe Snyder, Chief Financial Officer, responded that it will be coming out of Major Roads. He noted that the CIP will contribute to the Auburn Road Corridor Project.

Dr. Bowyer questioned when Hamlin will reopen.

Mr. Davis responded that September 6, 2018 is the date that the intersection of Hamlin and Adams is projected to reopen. He stated that the westbound direction is projected to be completed a couple of weeks after that.

BUDGET SUMMARY

Mayor Barnett summarized the Budget Presentation, noting that hundreds of hours have been expended preparing the presentations. He acknowledged the work of Fiscal Staff Members Deborah Hoyle, Senior Financial Analyst, and Denise Lator, Financial Analyst.

President Tisdell expressed his thanks for the development of an efficient and timely user-friendly presentation. He noted that much work goes on behind the scenes and many questions have been answered.

Mayor Barnett stated that the Administration responded to approximately 80 questions over the past week and noted that Council has been engaged in every

aspect of this Budget. He mentioned that Ms. McCardell met with Mr. Snyder this past week to get her questions answered.

President Tisdell noted that there were two Straw Poll items resulting from this evening's discussions:

- Establishing a budget amount of \$10,000 for the Diversity and Inclusion Committee to ensure that there are funds to cover any activities.
- Whether the Budget should include five LED signs proposed for the Fire Department.

He noted that Sign Ordinance implications will be reviewed.

Vice President Morita noted that more information on the cost of the LED signs, their life expectancy, and what they would look like and how they would function should be gathered before the Straw Poll question is answered. She stated that after discussion of the possibility of bringing in a facilitator for the Diversity and Inclusion Committee, she proposes that \$10,000 be allocated.

Mr. Kubicina noted that Ms. McCardell informed him that she would be watching the meeting tonight from Maine, where she is working.

Mr. Snyder thanked Council and the Administration for their time and efforts and noted that the Straw Poll questions would be developed in the next week. He announced that the next discussion of the Budget will occur at Council's Regular Meeting on September 10, 2018, where a Public Hearing will be held to provide additional opportunity for resident input.

Discussed.

2018-0342 Discussion - Capital Funds (400's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Pathway Construction Fund (403)

See Legislative File 2018-0340 for Council Discussion.

Discussed.

2018-0340 Discussion - Special Revenue Funds (200's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl OPC 2019-21 Budget Presentation.pdf](#)
[Suppl RARA 2019-21 Budget Presentation.pdf](#)
[Suppl Parks 2019-21 Budget Presentation.pdf](#)
[Suppl OCSO 2019-21 Budget Presentation.pdf](#)
[Suppl Fire 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Water Resources Fund (244))

See previous Council Discussion in Legislative File 2018-0340.

Discussed: Water Resources Fund.

2018-0343 Discussion - Water and Sewer Funds (500's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Sewer - Operating Division (510)
- Water - Operating Division (530)
- Water & Sewer - Capital Fund (593)
- Water & Sewer - Debt Fund (595)

See Legislative File 2018-0340 for Council Discussion.

Discussed.

2018-0344 Discussion - Internal Service Funds (600's) - 2019 Budget

Attachments: [082018 Budget Presentation Schedule.pdf](#)
[Suppl Budget Overview.pdf](#)
[Suppl MIS 2019-21 Budget Presentation.pdf](#)
[Suppl DPS 2019-21 Budget Presentation.pdf](#)

- Fleet Fund (661)

See Legislative File 2018-0340 for Council Discussion.

Discussed: Fleet Fund.

NEXT MEETING DATE

Regular Meeting - Monday, August 27, 2018 - 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 9:35 p.m.

*MARK A. TISDEL, President
Rochester Hills City Council*

*TINA BARTON, MMC, Clerk
City of Rochester Hills*

MARY JO PACHLA
Administrative Coordinator - City Council
City Clerk's Office

Approved as presented at the September 24, 2018 Regular City Council Meeting.