

MINUTES of a **Special Rochester Hills City Council Work Session** held at 1700 W. Hamlin Road, Rochester Hills, Oakland County, Michigan, on Tuesday, August 26, 2003.

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 Rochester Hills Special City Council Work Session would commence on Tuesday, August 26, 2003, to discuss the Proposed Year 2004 Budget.

1. CALL TO ORDER

President Dalton called the Special Rochester Hills City Council Work Session to order at 7:08 p.m.

2. ROLL CALL

Present: President John Dalton; Members Bryan Barnett, Jim Duisternars, Melinda Hill, Barbara Holder

Absent: Members Lois Golden, Gerald Robbins

QUORUM PRESENT

Others Present: Pat Somerville, Mayor
Beverly A. Jasinski, City Clerk
Ed Anzek, Director of Planning/Zoning
Scott Cope, Director of Building/Ordinance Enforcement
Ron Crowell, Assistant Fire Chief
Kurt Dawson, Director of Assessing/Treasury
Bob Grace, Director of MIS
Mike Hartner, Director of Parks & Forestry
Pamela Lee, Director of Human Resources
Roger Rouse, Director DPS
Bob Spaman, Director of Finance
Captain Robert Smith, Oakland County Sheriff's Department
Greg Walterhouse, Fire Chief

No Resolutions were adopted.

3. PUBLIC COMMENTS (Non-Agenda Items)

No member of the audience provided comments on any Non-Agenda Items.

4. CONTINUATION OF 2004 BUDGET DISCUSSION BY FUND (A0477)

Mr. Bob Spaman, Director of Finance, reviewed the following Proposed Budget 2004 categories:

202 MAJOR ROAD FUND

➤ **000 Revenues**

- Fund Balance to Balance
 - 401002 - Fund Balance
- Federal & State Grants
 - 544000 - State Transportation Funds
Mr. Barnett questioned what drives this fund; Mr. Spaman explained that it is derived based on the number of miles of road times a factor designated by the State; Mr. Spaman also noted an increase in the gas tax a few years ago.
- Charge for Service – Other
- Charge for Service – DPS
- Sales
 - 630003 - Fees – Franchise Utilities
This will be a big benefit for the City.
- Interest Earnings
- Miscellaneous Revenue
 - 675000 - Contributions & Donations
 - 677002 - Reimb. – Road Comm. Oakland Cty.
 - 695000 - Miscellaneous Revenue
- Transfer In
 - 699101 - Transfer In – General Fund

➤ **442 Transfer Out**

- Transfer Out
 - 999203 - Transfer Out – Local Roads
 - 999395 - Transfer Out – Refunding 1998

➤ **452 Construction**

- Professional Services
 - 801000 - Professional Services
 - 809000 - Contractual – Tri-Party
- Capital Outlay
 - 970001 - Construction & Improvements
 - *Ms. Hill, acknowledging that detailed information would be forthcoming, noted that it would be helpful if Council had been provided an overview of these projects prior to the budget meetings*
 - MR-47 – LED Traffic Signal Upgrade
Mr. Rousse explained that these signs are preprogrammed to change throughout the day and year to display school speed limits or changes for special events; they improve safety and traffic flow.
 - MR-48 – Fiber Upgrade for School Zones Construction

Resident Lee Zendel questioned the need for projects MR-47 and MR-48; Ms. Hill explained that the signals are more easily read and benefit traffic flow and increase safety.

➤ **462 Routine Maintenance**

Mr. Rousse described a new procedure for patching roads that promises to be more effective and long lasting.

○ Personnel Services

Mr. Rousse explained that a Transportation Engineer has been hired in-house, thus resulting in an increase in Personnel Services.

○ Operating Supplies

- 740000 - Operating Supplies

○ Professional Services

- 807000 - Contractual Services

- Maintenance Patching

Mr. Rousse noted that because construction has decreased, spending has shifted to repairs.

- Emerald Ash Bore Cuttings

This is a new item because of the new pest threat.

○ Other Expenses

- 932000 - Maintenance Equipment
- 940000 - Rental Equipment
- 946000 - Occupancy – Facility Charges

➤ **472 Traffic Service**

○ Personnel Services

○ Operating Supplies

○ Professional Services

- 807003 - Contractual – Oakland County
- 850000 - Membership & Dues
- 860000 - Travel & Seminars

○ Other Expenses

- 940000 - Rental – Equipment
- 946000 - Occupancy – Facility Charges

➤ **482 Winter Maintenance**

○ Personnel Services

○ Operating Supplies

- 781001 - Material – Road Maint. – Paved

➤ **492 Administration**

○ Operating Supplies

- 727000 - Office Supplies

○ Professional Services

- 801000 - Professional Services

○ Other Expenses

- 946000 - Occupancy – Facility Charges

203 LOCAL ROAD FUND

➤ **000 Revenues**

- Fund Balance to Balance
- License & Permits – Other
- Federal & State Grants
- Municipal Contributions
 - 592000 - Contributions – Rochester Comm. Schools
 - Sheldon Rd. Roundabout Agreement (2nd year)
This is the second (2nd) year of a ten (10) year commitment.
- Charge for Service – Other
- Charge for Service – DPS
 - 610005 - Chg. For Ser. – Engineering Consultant
- Fees
 - 630002 - Fees - Bid Deposits
- Rentals
 - 650005 - Rental – Equipment
- Interest Earnings
 - 664001 - Interest & Dividend Earnings
- Interest – SAD
- Special Assessment
- Transfer In
 - 699101 - General Fund
 - 699202 - Major Roads

➤ **444 Transfer Out**

- Transfer Out
 - 999334 - Local Rd. Imp 1988 Bond
This bond will run out this year.
 - 999661 – Fleet

➤ **454 Construction**

- Operating Supplies
- Professional Services
 - 801000 - Professional Services
- Other Expenses
 - 940000 - Rental – Equipment
- Capital Outlay
 - 970001 - Construction & Improvements

➤ **464 Routine Maintenance**

- Operating Supplies
 - 761003 - Material – Chloride
Moved to Professional Services

- 781001 - Material – Road Maint. – Paved
- Professional Services
 - 807000 - Contractual Services
 - City Chloride Application Program
 - Maintenance Patching
 - Forestry Tree Removal
 - Emerald Ash Borer Cuttings
 - 807004 - Contractual – Sidewalk Program
 - 807704 - Contractual – Tree Trimming / Removal
Moved to Professional Services
- Other Expenses
 - 940000 - Rental – Equipment
 - 946000 - Occupancy – Facility Charges
- **474 Traffic Service**
 - Operating Supplies
 - 740000 - Operating Supplies
 - Professional Services
 - 801000 - Professional Services
 - Capital Outlay
 - 977000 - Equipment Capitalized
- **484 Winter Maintenance**
 - Operating Supplies
 - Professional Services
 - 807000 - Contractual Services
 - Emergency Snow Plowing Assistance
This is a third (3rd) party contractor.
 - Other Expenses
 - 940000 - Rental – Equipment
- **494 Administration**
 - Personnel Services
 - Operating Supplies
 - Professional Services
 - 801008 - Professional Services – Other
 - 802000 - Interfund Charges – Admin.
 - 802001 - Interfund Charges – MIS
 - Other Expenses

206 FIRE DEPARTMENT

- **000 Revenues**
 - Fund Balance to Balance
 - Taxes
 - Federal & State Grants

- Charges for Service – Other
 - 608003 - Chg. For Ser. – Fire Protection
- Rentals
 - 650001 - Rental – Cell Tower Lease
Chief Walterhouse explained that the cost for the cell tower lease would be reduced with the addition of other users, however, there are no indications of additional users in the near future.
- Fines & Forfeitures
 - 664001 - Interest & Dividend Earnings
- Sales of Fixed Assets
- Miscellaneous Revenue
- Transfer In
 - 699592 - Transfer In – Water / Sewer Fund

- **000 Administration**
 - Personnel Services
 - 703000 - Salaries & Wages
Mr. Crowell was promoted to Assistant Fire Chief.
 - Operating Supplies
 - 740000 - Operating Supplies
The Fire Department will now be responsible for their own custodial services.
 - 740004 - Operating Supplies – Programs
 - 748000 - Operating Equipment
 - Professional Services
 - 801000 - Professional Services
 - 801001 - Prof. Service – Fire Service Fee
President Dalton questioned why this service was not monitored to determine how this would be estimated; Mr. Rouse explained that they now have a full-time employee dedicated to this position and the City only recently gained the raw data needed to estimate this cost.
 - 801002 - Prof. Service – Medical Services
 - 802000 - Interfund Charges – Administration
 - 802001 - Interfund Charges – MIS
 - 805001 - Legal Fees – City Attorney
Legal issues are isolated to this fund, the Sewer Fund and the General Fund only.
 - 850000 - Membership & Dues
 - 860000 - Travel & Seminars
 - 880000 - Community Promotions
Travel & Seminars and Community Promotions costs were relocated to the training portion of the budget.
 - 910000 - Liability Insurance & Bonds
 - Other Expenses
 - 946000 - Occupancy – Facility Charge
 - 960000 - Tax Tribunals

- Transfer Out
 - 999402 - Fire Apparatus Fund
 - 999631 – Facilities
 - FA-13D – Fire Station (#’s 1, 3, 4) Bay Floor Coating & Resurfacing

Ms. Hill questioned the necessity of this project, as it had been done previously; Chief Walterhouse explained that there had been a problem with an incompetent contractor and that was being pursued through legal channel to little avail; Mr. Spaman noted this expense would correct the situation.
- **339 Full Time Firefighters**
 - Operating Supplies
 - 740000 - Operating Supplied
 - 748000 – Operating Equipment
- **340 Paid On Call Firefighters**
 - Operating Supplies
 - 740000 – Operating Supplies
 - Furnishings (Station #1)
 - 748000 - Operating Equipment
 - Accountability System

This is an automated barcode system that assists in tracking emergency response workers at the scene of an emergency.
 - Professional Services
 - 801000 - Professional Services
 - 860000 - Travel & Seminars

This cost has been moved to the Training budget.
 - Other Expenses
 - 938000 - Maintenance – Vehicles
- **341 Fire Prevention Bureau**

Mr. Barnett questioned the Fire Department’s plans for educating residents about the new burning ordinance.

 - Personnel Services

A new Fire Inspector is being added.
 - Operating Supplies
 - Professional Services
 - 801000 - Professional Services
 - 860000 - Travel & Seminars

This cost has been moved to the Training budget.
 - Other Expenses Other Expenses
 - Maintenance – Vehicles

(Recess 8:45 p.m. – 9:00 p.m.)

- **342 Training**

- Operating Supplies
 - 740000 - Operating Supplies
 - 748000 - Operating Equipment
- Professional Services
 - 860000 - Travel & Seminars
President Dalton questioned whether there was sufficient funds for all the necessary training and certification; Chief Walterhouse stated that the Fire Department had participated in a great deal of training this year; Mr. Spaman explained that there are other dollars available from other funds such as tuition reimbursement; Ms. Hill noted that, if needed, a budget amendment could be sought at a later date.
- **343 Dispatch**
 - Personnel Services
 - 703000 - Salaries & Wages
 - Operating Supplies
 - 740000 - Operating Supplies
 - Professional Services
 - 860000 - Travel & Seminars
 - Other Expenses
 - 932000 - Maintenance – Equipment
 - 934000 - Maintenance – Software
Resident Zendel questioned whether the Software cost was paid to the MIS department; Mr. Spaman explained that the cost was paid to the software vendor.
 - Capital Overlay
 - 977000 - Equipment – Capitalized
- **344 E.M.S Service**
 - Operating Supplies
 - 748000 - Operating Equipment
 - Professional Services
 - 801000 - Professional Services
 - Hepatitis Shots
 - AccuMed Billing
 - EMINET Training
- **345 Special Operations**

This is a new fund.

 - ❖ *Ms. Hill questioned why there seemed to be an excessive amount of money in the Fire Apparatus fund and whether the Fire Department millage should be reduced.*
 - ❖ *Mr. Spaman explained that Fire Department funds cannot be transferred to other departments.*
 - ❖ *Mr. Duistermars noted that replacement of fire equipment such as trucks is very expensive.*

- ❖ *Mr. Spaman pointed out that this year's budget is anomalous as four (4) large pieces of equipment will be acquired.*
- ❖ *Ms. Hill noted that it is necessary to have an appropriate fund, not a "savings account" capable of replacing all fire apparatus.*
- ❖ *President Dalton noted that the fund is necessary due to the high cost of replacing large equipment, but acknowledged that the fund should be evaluated to determine if it should be reduced.*
- ❖ *Mr. Barnett questioned the cause of the apparatus fund increasing.*
- ❖ *Mr. Spaman explained that it is a result of the millage.*
- ❖ *Chief Walterhouse explained that the numbers were skewed due to delayed billings for E.M.S. services. He noted that E.M.S. accepts Medicare and Medicaid payments and does not pursue those people for the difference in cost, and suggested the Department could be more aggressive in their collection efforts.*
- ❖ *President Dalton inquired as to the procedure when an uninsured individual is in an accident requiring E.M.S. service.*
- ❖ *Chief Walterhouse stated that the individual is billed for services and, generally, the Fire Department accepts whatever payment the individual can pay.*

207 SPECIAL POLICE FUND

➤ **Revenues**

- Taxes
 - 403000 - Taxes – Current
 - 2004 Police Millage I Levy – (0.9003 Mills)
 - 2004 Police Millage II Levy – (0.4386 Mills)
- Federal & State Grants

There are currently no additional grants scheduled.

 - 501001 - Federal Grant – COPS
 - Second Year of \$125,000 Grand
This is for the Police Liaison.
 - 576000 - State Revenue – Liquor Licenses
- Municipal Contributions
 - 590000 - City of Rochester
 - 591000 - Oakland Township
 - 592000 - Rochester Comm. Schools
 - 593000 - Avondale Schools
Avondale Schools no longer wish to participate in the Police School Liaison Program, thus, this police officer will return to patrol and to the Police budget.
- Charge for Service – Public Safety
 - 608005 - Chg. For Serv. – Extra Police Protection
 - 609010 - Chg. For Serv. – Breathalyzer
 - 920001 - Chg. For Serv. – Printed Materials
- Fines and Forfeitures
 - 655002 - Fines – District Court
 - 655004 - Fines – O.U.I.L.

- Interest Earnings
- Transfer In – General Fund
 - 699101 - Transfer In – General Fund

➤ Expenses

- Personnel Services
 - 703000 - Salaries & Wages
President Dalton questioned why the budget no longer includes the addition of one (1) deputy per year; Mr. Spaman stated the model could be changed to reflect that annual addition.
- Operating Supplies
 - 727000 - Office Supplies
 - 740000 - Operating Supplies
 - 740002 - Operating Supplies – Police Liaison
- Professional Services
 - 802000 - Interfund Charges – Admin
 - 802001 - Interfund Charges – MIS
 - 807001 - Contractual Police Services
This is the last year of a five (5) year contract; a new contract is being negotiated in conjunction with other communities.
 - 880000 - Community Promotions
 - 910000 - Liability and Insurance
- Other Expenses
 - 932000 - Maintenance – Equipment
 - 960000 - Tax Tribunals
- Capital Equipment
 - 977000 - Equipment – Capitalized
- Transfer Out
 - 999631 - Buildings & Grounds
 - Substation Construction – Oakland County
The substation will be paid over twenty (20) years; the City will maintain the new substation with regards to custodial services (i.e. snow removal, lawn mowing) and the budget will be adjusted appropriately.

- ❖ *President Dalton expressed his belief that funding for the Fire and Police Departments is essential and noted that these security functions will grow.*
- ❖ *Mr. Barnett noted that the City and Council must convey to residents the importance of these security functions and the need for additional funding.*
- ❖ *Mr. Robbins suggested that there are many items in the budget that could be eliminated to fund these basic security needs.*
- ❖ *Mr. Spaman noted that the budget does have a significant balance and there is “some cushion to ride on.”*
- ❖ *President Dalton reiterated that the Fire and Police Departments are first and foremost and the City and Council must find an adequate solution to their funding.*

- ❖ *Ms. Hill voiced her concern that finding the funds within the current budget to meet the necessary needs of these departments would send an unrealistic message to residents.*
- ❖ *Mr. Duistermars questioned why, if the City's tax base is increasing through new development, this increase has not benefited the Police and Fire Departments.*

211 STONEY CREEK PERPETUAL CARE FUND

213 R.A.R.A. MILLAGE FUND

214 BIKE PATH FUND

➤ **Revenues**

- Taxes
- Interest Earnings
 - 664001 - Interest & Dividend Earnings

➤ **Expenses**

- Personnel Services
 - 703000 - Salaries & Wages
- Operating Supplies
- Professional Services
 - 801000 - Professional Services
 - Pedestrian Pathway Bridge Inspections
Inspection occurs every other year.
 - 802000 - Interfund Charges – Admin.
 - 807000 - Contractual Services
 - Forestry Tree Trimming
 - Emerald Ash Borer Cuttings
- Other Expenses
 - 940000 - Rental – Equipment
- Transfer Out
 - 999403 - Pathway Const. Fund

226 SOLID WASTE MANAGEMENT FUND

➤ **Revenues**

➤ **Expenses**

- Personnel Services
- Operating Supplies
- Professional Services
 - 801000 - Professional Services
 - North Oakland Hazardous Waste Program
 - SOCCRA

244 PUBLIC IMPROVEMENT – DRAINS

➤ **Revenues**

- Fund Balance to Balance
 - 401002 - Fund Balance
- Taxes
- License & Permits – Other
 - 451005 - Lic. & Pmts. – Engineering Dept.
- Federal and State Grants
 - 501000 - Grants
 - SW-08 – Major Waterway Preservation
This is funded through grant money.
- Charge for Service – Other
- Charge for Service – DPS
- Miscellaneous Revenue
 - 675001- Contributions from Developer
 - 677001 - Reimbursement – Oakland County
 - Environmental Infrastructure Fund – Reimbursement for Unfunded Federal Mandates
This is the last year of the five (5) year program.
 - 698000 - Bond Proceeds
Bonding for the entire multi-year projects.

➤ **Expenses**

- Personnel Services
- Operating Supplies
 - 740000 - Operating Supplies
 - West Nile Mosquito Briquettes
- Professional Services
 - 802000 - Interfund Charges – Admin.
 - 802001 - Interfund Charges – MIS
 - 807000 - Contractual Services
 - 850000 - Memberships & Dues
- Other Expenses
 - 940000 - Rental – Equipment
 - 946000 - Occupancy – Facility Charges
 - 960000 - Tax Tribunals
- Capital Outlay
 - 971000 - Land
 - 974000 - Land Improvement

265 O.P.C. MILLAGE FUND

313 ROAD IMPROVEMENT BOND – 2001 SERIES

314 LOCAL ROAD SAD BOND – 2001 SERIES

- **Revenues**
 - Fund Balance to Balance
 - Interest – SAD
 - Principal – SAD
 - Transfer In
- **Expenses**
 - Principal Retirement
 - 990000 - Principal Payments

325 ROAD IMPROVEMENT BOND – 2002 SERIES

- **Revenues**
 - Transfer In
 - 699203 - Local Roads
- **Expenses**
 - Principal Retirement

331 DRAIN DEBT FUND

- **Revenues**
 - Taxes
- **Expenses**
 - Principal Retirements
 - 990006 - Principal – Chester Drain
 - Interest and Fiscal Charges

335 LOCAL ROAD SAD BOND – 1989 SERIES

- **Revenues**
 - Fund Balance to Balance
 - Interest – SAD
 - Principal – SAD
 - Transfer In
 - 699101 - General Fund
- **Expenses**
 - Interest and Fiscal Charges

337 LOCAL ROAD SAD BOND – 1994 SERIES

- **Revenues**
 - Fund Balance to Balance

- **Expenses**
 - Principal Retirement

338 LOCAL ROAD SAD BOND – 1995 SERIES

- **Revenues**
 - Fund Balance to Balance
- **Expenses**
 - Principal Retirement

368 O.P.C. BUILDING DEBT FUND

- **Expenses**
 - Principal Retirements

370 MUNICIPAL BUILDING DEBT FUND

- **Revenue**
 - Transfer In
 - 699101 - General Fund
- **Expenses**
 - Principal Retirements

391 REFUNDING BOND FUND – 1998 SERIES

- **Revenue**
 - Taxes
- **Expenses**
 - Principal Retirements

392 REFUNDING BOND FUND – 2002 SERIES

- **Revenue**
 - Taxes
- **Expenses**
 - Principal Retirements
 - 990000 - Principal

395 REFUNDING BOND FUND – 1998 SERIES

- **Revenue**
 - Transfer In

- 699202 - Major Roads
- 699332 - Local Road Bond – 1987

➤ **Expenses**

- Principal Retirements

402 FIRE APPARATUS FUND

403 PEDESTRIAN PATHWAY CONSTRUCTION FUND

➤ **Revenues**

- Fund Balance to Balance
 - 401002 - Fund Balance
- Transfer In
 - 699214 - Bike Path Fund

➤ **Expenses**

- Fund Balance
 - Personnel Services
 - 703000 – Salaries & Wages
 - Capital Outlay
 - 974000 - Land Improvement
 - PW-09 – Pathway Rehabilitation Program
 - PW-02 – Tienken Pathway Gaps (Section 4) Construction
 - PW-04 – Livernois Pathway (Section 9) Preliminary Engineering
 - PW-06 – Auburn Pathway (Section 28) Preliminary Engineering
 - PW-07 – Adams Rd Pathway (Section 31) Preliminary Engineering / Construction
- These projects are mostly preliminary engineering with construction to follow.*

420 CAPITAL IMPROVEMENT FUND

➤ **Revenues**

- Interest Earnings
- Transfer In
 - 699101 - General Fund

➤ **Expenses**

- Fund Balance to Balance
- Transfer Out
 - Facilities
 - PK-06A – Paint Creek Trail Resurfacing
 - PK-04F – Spencer Park – Beach House Rehabilitation
 - FA-07 – Dairy Barn – Windows
 - FA-07 – Borden Park – Office (Vinyl Siding)

- FA-07 – Borden Park – Storage Building (Vinyl Siding)
- PK-19 – Vault Toilet (Bloomer Park)

5. ANY OTHER BUSINESS

No other business was discussed.

6. ADJOURNMENT

There being no further business to discuss before Council, President Dalton adjourned the meeting at 10:22 p.m.

JOHN L. DALTON, President
Rochester Hills City Council

MARGARET A. STRATE
Administrative Secretary
City Clerk's Office

BEVERLY A. JASINSKI, Clerk
City of Rochester Hills