



Rochester Hills

Minutes

City Council Regular Meeting

1000 Rochester Hills Dr
Rochester Hills, MI 48309
(248) 656-4600
Home Page:
www.rochesterhills.org

*Kevin S. Brown, Dale A. Hetrick, Greg Hooper, Adam Kochenderfer, Stephanie Morita,
Mark A. Tisdell and Thomas W. Wiggins*

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, September 28, 2015

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order
at 7:02 p.m. Michigan Time.*

ROLL CALL

Present 7 - Kevin S. Brown, Dale Hetrick, Greg Hooper, Adam Kochenderfer, Stephanie
Morita, Mark A. Tisdell and Thomas W. Wiggins

Others Present:

*Jasneet Aulakh, Rochester Hills Government Youth Council Representative
Bryan Barnett, Mayor
Tina Barton, City Clerk
Sean Canto, Chief of Fire and Emergency Services
Scott Cope, Director of Building/Ordinance Compliance
Kurt Dawson, Director of Assessing/Treasury
Pamela Gordon, Director of Human Resources
Bob Grace, Director of MIS
Captain Michael Johnson, Oakland County Sheriff's Office
Sara Roediger, Manager of Planning
Keith Sawdon, Director of Finance
Allan Schneck, Director of DPS/Engineering
John Staran, City Attorney*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A motion was made by Hetrick, seconded by Wiggins, that the Agenda be Approved as Amended to move Legislative File 2015-0375 Presentation of Options for Fire Station #4 Construction to New Business preceding Legislative File 2015-0363 Request for Purchase Authorization - BLDG/FACILITIES: Increase to Blanket Purchase Order for Construction Management Services for the Fire Station Project in the amount of \$5,915,118.00 for a new not-to-exceed amount of \$6,080,143.00; George W. Auch Company, Pontiac, MI. The motion carried by the following vote:

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

COUNCIL AND YOUTH COMMITTEE REPORTS

Rochester Hills Government Youth Council (RHGYC):

Jasnett Aulakh, RHGYC Representative, announced that the RHGYC appointed its Chairperson, Vice Chairperson, and Secretary at its first meeting on September 14, 2015. Members were assigned to City committees, and Action Committee assignments were made. Action Committees this year include Green Team, Helping Hands, and Public Relations. She stated that the new and returning members look forward to a great year.

Avondale Youth Assistance (AYA):

Ms. Morita announced that AYA will host a program on November 5, 2015, Strategies to Promote Success for Struggling Students, at the Avondale Media Center. At no cost to attendees, the program is designed to help children succeed in reading, writing and math.

PRESENTATIONS

2015-0378 Presentation by the Rochester/Auburn Hills Community Coalition (RAHCC); Suzanne Bobbitt, RAHCC President, presenter

Attachments: [092815 Agenda Summary.pdf](#)
[Presentation.pdf](#)

Suzanne Bobbitt, President of the Rochester/Auburn Hills Community Coalition (RAHCC), gave a brief presentation that highlighted the organization's structure, services, and strategic emphasis for 2016. She noted that the RAHCC is one member branch among dozens in Oakland County in an alliance of coalitions for healthy community. RAHCC strives toward the prevention, support, and recovery against the use of alcohol, tobacco, prescription and illegal drugs.

She noted that the RAHCC's mission is to foster a healthier community. She stated that the organization hosts seven signature events throughout the year, and mentioned an upcoming Youth Dialogue on November 14, Teen Night at the Village of Rochester Hills, a Court Night, Prescription Takeback Days, and Youth Board recognitions. The RAHCC participated in the Brookside Way Half-Marathon, a Parent/Student survey, and vendor audits to ensure that area merchants comply with the laws to prevent sales to minors. The RAHCC wishes to raise awareness on the major risk factors of marijuana use.

Ms. Bobbitt highlighted the RAHCC's strategic mission for 2016, noting a goal for engaged positive choices and an emphasis on youth activities. She announced that the organization will partner with the North Oakland YMCA for a two-part series on October 3 and October 10 regarding free video game design classes.

She noted that the RAHCC meets on the second Wednesday of the month at Avondale Meadow School.

Mr. Hetrick commented that both the Youth Dialogue Day and the Court Night are phenomenal events which provide opportunities for young adults to become better leaders. He stressed that it is important for parents to participate in the survey, as the information will help the community to do a better job.

Presented.

ORDINANCE FOR ADOPTION

2015-0360 Acceptance for Second Reading and Adoption - An Ordinance to Amend Chapter 6, Alcoholic Liquor, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify liquor licensing requirements, and to repeal conflicting or inconsistent ordinances, and prescribe a penalty for violations

Attachments: [092815 Agenda Summary.pdf](#)
[Ordinance.pdf](#)
[091415 Agenda Summary.pdf](#)
[Contract - Transfer License.pdf](#)
[091415 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

A motion was made by Morita, seconded by Hetrick, that this matter be Accepted for Second Reading and Adoption by Resolution. The motion carried by the following vote:

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0252-2015

Resolved, that an Ordinance to Amend Chapter 6, Alcoholic Liquor, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify liquor licensing requirements, and to repeal conflicting or inconsistent ordinances, and prescribe a penalty for violations is hereby accepted for Second Reading and Adoption and shall become effective on Monday, October 5, 2015, the day following its publication in the Oakland Press on Sunday, October 4, 2015.

PLANNING AND ECONOMIC DEVELOPMENT

2000-1135 Request for Conditional Use Approval to construct a drive-through accessory for a Meijer Curbside Pickup Program, located at the Meijer store at Rochester and Auburn, zoned B-3, Shopping Center Business; WD Partners, Applicant

Attachments: [092815 Agenda Summary.pdf](#)
[Staff Report 091515.pdf](#)
[Map Aerial.pdf](#)
[Review Comments.pdf](#)
[EIS.pdf](#)
[Color Rendering.pdf](#)
[Site Plans.pdf](#)
[Minutes PC 091515.pdf](#)
[PHN CU 091515.pdf](#)
[Resolution \(Draft\).pdf](#)

Sara Roediger, Manager of Planning, noted that Meijer has been in its Rochester/Auburn Road location for 30 years. She stated that the request is for a Conditional Land Use for an accessory-drive-through window at the northeast corner of the building, away from Rochester Road, to allow customers to order products online and pick up their purchases at the window. She explained that a Public Hearing was held at the Planning Commission's September meeting, and the Commission unanimously recommended approval of the site plan and the Conditional Land Use.

President Hooper noted that the Planning Commission included an additional condition limiting hours of operation.

Ms. Roediger confirmed that a condition for hours of operation from 7:00 a.m. to 9:00 p.m. was added. She stated that the applicant concurred with the condition.

Mr. Wiggins questioned whether there could be a back-up of vehicles waiting to use the drive-through and if speaker noise could be a nuisance.

Seth Dorman, WD Partners, representing Meijer, noted that six queuing spots are provided. He added that customers will select a time for pickup as a part of the ordering process.

Ms. Roediger pointed out that the site has the benefit of having a mature landscape buffer, parking, and a large distance to any adjacent residences.

Mr. Kochenderfer questioned whether pick-up times would be staggered.

Mr. Dorman responded that they would. He explained that a maximum of nine transactions within 15 minutes, or 36 maximum per hour, would be scheduled.

President Hooper questioned how the service would work and if there will be a fee to use the service.

Mr. Dorman responded that personnel would come out of an existing door in a staging area. The staging area will contain a walk-in cooler where orders would be held. Two canopies would be installed to protect the car and the associate. He stated that there will be no fee.

Mr. Tisdell questioned whether this will be the first such drive-through of its kind for Meijer in the state.

Mr. Dorman responded that Grand Rapids currently has one in operation. He mentioned that five locations in Michigan will be targeted to start this service this year. He added that there is a list of fifty potential locations in Ohio, Indiana and Michigan.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0253-2015

Resolved, that the Rochester Hills City Council hereby approves a drive-through accessory for a Meijer Curbside Pickup Program, located at the Meijer store at Rochester and Auburn, Parcel No. 15-35-100-048, zoned B-3, Shopping Center Business, based on plans dated received by the Planning and Economic Development Department on August 19, 2015, WD Partners, Applicant, with the following findings and condition:

Findings:

1. The proposed drive-through and site improvements meet or exceed the standards of the Zoning Ordinance.
2. The expanded use will promote the intent and purpose of the Zoning Ordinance.
3. The proposed drive-through has been designed and is proposed to be constructed, operated, maintained, and managed so as to be compatible, harmonious, and appropriate in appearance with the existing and planned character of the general vicinity, adjacent uses of land, and the capacity of public services and facilities affected by the use.
4. The proposal should have a positive impact on the community as a whole and the surrounding area by further offering a convenient shopping method and enhanced customer service.
5. The proposed development is served adequately by essential public facilities and services, such as highways, streets, police and fire protection, drainage ways, and refuse disposal.
6. The proposed development should not be detrimental, hazardous, or disturbing to existing or future neighboring land uses, persons, property, or the public welfare.
7. The proposal will not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.

Condition:

1. The hours of operation shall be from 7:00 a.m. to 9:00 p.m.

2015-0349 Request for Conditional Use Approval for a pre-owned car display accessory to an existing Audi dealership located at 45545 and 45555 Dequindre, at the northwest corner of Dequindre and Melville, north of the Audi dealership and north of M-59, zoned B-2, General Business; David Hanoute, Applicant

Attachments: [092815 Agenda Summary.pdf](#)
[Staff Report 091515.pdf](#)
[Map Aerial.pdf](#)
[Review Comments.pdf](#)
[EIS.pdf](#)
[Site Plans.pdf](#)
[Minutes PC 091515.pdf](#)
[PHN CU 091515.pdf](#)
[Resolution \(Draft\).pdf](#)

Sara Roediger, Manager of Planning, explained that the Audi Dealership has been in existence for 15 years, and is looking to add a pre-owned lot. She pointed out that no building is planned, and the use will be an extension of the existing dealership. She mentioned that pedestrian connectivity was included, and she stated that the Planning Commission recommends approval. She stated that because there will be improvements on Dequindre Road next year, the Applicant will place funds into the Pathway Fund to cover their portion of the pathway requirements. The Road Commission for Oakland County (RCOC) will then install the pathway as a part of their upcoming project.

President Hooper noted that the pathway is a part of the Site Plan, and not a part of the Conditional Land Use requested.

Ms. Roediger responded that it is, and she noted that the Applicant worked out the amount to contribute to the Pathway Fund.

Mr. Hetrick questioned whether there are any future plans for a building.

David Hanoute, representing the Applicant, responded that there are no plans now, nor expected in the future. He pointed out that this is a small lot and setbacks will not allow a building on the site.

Ms. Roediger explained that two residences are slated for demolition. She pointed out that there are adequate street trees along Dequindre, and a berm currently exists along the north line adjacent to existing apartments. She commented that the Applicant plans to enhance plantings on the berm, and install additional plantings along Melville and Dequindre.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0254-2015

Resolved, that the Rochester Hills City Council hereby approves a Conditional Use for a pre-owned car display accessory to the existing Audi dealership for Parcel Nos. 15-36-426-002 and 15-36-426-003, located at 45545 and 45555 Dequindre, at the northwest corner of Dequindre and Melville, north of the Audi dealership and north of M-59, zoned B-2, General Business, based on plans dated received by the Planning and Economic Development Department on August 12, 2015, David Hanoute, Applicant, with the following findings:

Findings:

1. The proposed site improvements meet or exceed the standards of the Zoning Ordinance.
2. The expanded use will promote the intent and purpose of the Zoning Ordinance.
3. The proposed lot has been designed and is proposed to be constructed, operated, maintained, and managed so as to be compatible, harmonious, and appropriate in appearance with the existing and planned character of the general vicinity, adjacent uses of land, and the capacity of public services and facilities affected by the use.
4. The proposed development is served adequately by essential public facilities and services, such as highways, streets, police and fire protection, drainage ways, and refuse disposal.
5. The proposed development should not be detrimental, hazardous, or disturbing to existing or future neighboring land uses, persons, property, or the public welfare.
6. The proposal will not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.

PUBLIC COMMENT for Items not on the Agenda

***Erin Howlett**, 3597 Aynsley Drive, stated that residents had shown up for over a year and a half to Council meetings regarding the oil and gas issue. She noted commentary from a resident that women's voices were taken as shrill and discounted. She questioned whether Council truly wanted to hear from the residents and asked for their voices to be respected.*

***Mike Powers**, 3632 Aynsley Drive, commented that with the exception of the handling of the oil and gas issue, Council has done a fairly good job. He stated that he did not understand the City's stubbornness on oil and gas, and he noted that it is his opinion that a lawsuit against the City is still in process. He noted that fracking technology is very risky, and stated that with oil prices more than 50 percent below previous per-barrel pricing, it is an opportune time for the City to get out of the possibility. He commented that the City should develop relationships with Lansing.*

***Scot Beaton**, 655 Bolinger, commented that the Avon Country Market development is looking much nicer. He stated that when he ran for City Council, he ensured that all his yard signs were appropriately placed. He noted that the Building Department should immediately take signs down in road right-of-ways and ensure that candidates are informed of the rules for placement.*

CONSENT AGENDA

2015-0312 Approval of Minutes - City Council Special Meeting - July 20, 2015

Attachments: [CC Special Mtg Min 072015.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0255-2015

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on July 20, 2015 be approved as presented.

2015-0313 Approval of Minutes - City Council Regular Meeting - July 20, 2015

Attachments: [CC Min 072015.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0256-2015

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on July 20, 2015 be approved as presented.

2015-0369 Approval of Minutes - City Council Special Meeting - August 10, 2015

Attachments: [CC Special Mtg Min 081015.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0257-2015

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on August 10, 2015 be approved as presented.

2015-0370 Approval of Minutes - City Council Regular Meeting - August 10, 2015

Attachments: [CC Min 081015.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0258-2015

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on August 10, 2015 be approved as presented.

2015-0371 Approval of Minutes - City Council Special Meeting - August 17, 2015

Attachments: [CC Special Budget Mtg Min 081715.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0259-2015

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on August 17, 2015 be approved as presented.

Passed the Consent Agenda

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

LEGISLATIVE & ADMINISTRATIVE COMMENTS

*In response to Public Comment, **President Hooper** noted that he would consider the oil and gas issue settled in the community. He pointed out that a well drilled in Shelby Township was not viable, and the oil and gas company announced that it had pulled all activities out of Oakland County. He noted that the City was successful in defending two lawsuits filed against it. He commented that State Representative Michael Webber has personally introduced legislation regarding setbacks and is looking for support at the State level.*

Responding to commentary regarding political yard signs, he noted that the American Civil Liberties Union opposed the City's attempt to keep yard signs to a display time of 30 days before an election. He mentioned that the City's three Ordinance Officers will remove yard signs that are placed in inappropriate locations.

***Mr. Tisdell** noted that the geology of the area did not require fracking for oil exploration. He stated that fracking would have ruined the porous limestone geology.*

***Mr. Brown** commented that the oil and gas lease was signed on January 15, 2013 and has a five year expiration. He stated that it is likely that the lease will expire prior to any future plans for exploration in the area.*

***Mr. Hetrick** pointed out that hydraulic fracturing was prohibited in the lease signed, and is prohibited by the City's Ordinance. He commented that from public comments, it appears that incumbents are properly displaying their political signs.*

***Mr. Kochenderfer** noted that this Council passed one of the most restrictive ordinances possible under State Law for oil and gas exploration. He mentioned that the Rochester Hills Museum at Van Hoosen Farm will hold its annual Stonewall Pumpkin Festival on Saturday, October 10, 2015.*

***Ms. Morita** responded to public comment, noting that she is excited that another woman will join Council in November. She commented that while there may have been a perception that the residents' points of view were not heard, they were.*

***Mr. Wiggins** commented that the Building Department will be following up in the next 30 days before the election to ensure political signs are placed properly.*

***Mayor Barnett** noted that a front-page article highlighted the announcement by the oil and gas companies that they were no longer interested and would leave*

Oakland County. He stated that he had good back-and-forth discussion with residents on the issue. He mentioned that he spoke with State Representative Webber at the Brooksie Way Half-Marathon and Mr. Webber noted that oil and gas is a geographic issue. Mr. Webber stated that the issue is not engaging legislators out of a 30-mile radius. He pointed out that Mr. Webber's proposed legislation limits drilling to industrial areas only and incorporates a 1,000-foot setback. He stated that Oakland County does not have the geological structure that would lend itself to fracking. He commented that over 1,000 political signs are out in the community, and they should only be placed where they have permission.

He made the following announcements:

- Both the Hamlin Road and Tienken Road projects are weeks away from completion.
- The Stonewall Pumpkin Festival scheduled for October 10, 2015, is a great activity. Over 4,000 people are expected to attend.
- The Fire Department will hold an open house on Sunday, October 4, 2015 from noon to 3:00 p.m. at Station #1 off Livernois Road.

ATTORNEY'S REPORT

Regarding Public Comment pertaining to Oil and Gas, **City Attorney John Staran** noted that in addition to Representative Webber's proposed legislation, the State Legislature is looking at regulating hydraulic fracking as well as horizontal drilling.

Regarding comments on political sign placement, he noted that there are constraints as to how far the City can go to regulate them. He stated that signs are prohibited within the public rights-of-way or on public property. He added that the City is limited only by its personnel and their ability to take the signs down as fast as they go up. He pointed out that if a political sign is being placed on private property without permission, it is considered trespassing.

NEW BUSINESS

- 2015-0285** Request for Adoption of a Resolution to Proceed with Public Improvement and Establish a Special Assessment District (SAD) for Norton Lawn and Hickory Lawn

Attachments: [092815 Agenda Summary.pdf](#)
[Vicki Boork ltr recd 090415.pdf](#)
[Suppl Ltr from D. Snead 092815.pdf](#)
[081015 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[072015 Agenda Summary.pdf](#)
[Aerial Location Map.pdf](#)
[Engineer Report.pdf](#)
[Hickory Lawn Draft Assessment Roll.pdf](#)
[Norton Lawn Draft Assessment Roll.pdf](#)
[OHM Prelim Const Cost Est.2015.June12.pdf](#)
[072015 Resolution \(Draft\).pdf](#)
[Resolution \(Draft\).pdf](#)

Allan Schneck, Director of DPS/Engineering, noted that a final determination by Council is requested prior to moving forward with the Special Assessment District and directing the City Assessor to prepare the assessment roll. He explained that resident comments were heard at the Public Hearing on August 10, 2015, and Council did not make a decision at that time to end the process for either street. He commented that a 28-day period began following the Public Hearing to allow residents not in favor to circulate a Petition of Objection. He stated that the City received Petitions of Objection for nine out of 35 property descriptions on Norton Lawn, encompassing 26 percent. For Hickory Lawn, six out of 33 property descriptions, or 18 percent, filed an objection, also not greater than 50 percent. Further dialogue regarding Hickory Lawn resulted pertaining to five property owners who were reported to no longer be in favor. Two of those individuals who were originally deemed in favor were removed from the list, and three were retained. This resulted in 18 of 33 Hickory Lawn property descriptions being deemed in favor, or 55 percent.

President Hooper noted that if this is successful today, two more steps will proceed. The City Assessor will prepare the assessment roll, and City Council will determine a public hearing date for the roll and assessment to be reviewed. Subsequent to that Public Hearing a final determination will be made. He explained that the step tonight is for a final determination whether to move forward or not.

Public Comment:

Vicki Boork, 2724 Hickory Lawn, provided a summary of a letter she delivered and noted that attachments were included. She stated that the letter brought the legality of the petitions into question, and noted that one owner did not sign her own name, another signer does not own the house, and another is not on the deed. She stated that those who want the streets to be paved want it for dust control; and she stated that this reason does not make the paving a necessity. She suggested that the streets be posted no through traffic.

John Meiers, 2819 Norton Lawn, expressed his appreciation to the City's Engineering Department and City Council for answering his questions. He stated that the majority of the residents on Norton Lawn and Hickory Lawn require and request a Special Assessment for paving. He commented that paving is needed for the safety of children and grandchildren. He added that he concurs with incorporation of speed humps listed on the plan that was presented to Council by the consulting firm.

Joseph Peters, 2850 Hickory Lawn, noted that residents were given 28 days to circulate a Petition of Opposition, and were only able to obtain six signatures. He stated that those who circulated the Petitions of Opposition told residents that no speed humps would be incorporated. He noted that all petitions are valid. He mentioned a new owner of one property who has since signed a petition for paving. He commented that dust and potholes are secondary, and the main reason for requesting paving is the heavy amount of traffic coming down the street, most of whom do not do the speed limit.

Rachel Mateski, 2760 Hickory Lawn, stated that it unfair for residents to decide on paving without any guarantee of speed humps or knowledge of where they will go in. She commented that it is not legal to move forward, and suggested that one signature was a forgery.

Jennifer Arsenault, 2678 Hickory Lawn, noted that she signed the petition for paving, even though her signature looks different than it did on her voter's card. She suggested that the individual whose signature was in question should be brought in to ask if she indeed sign the petition. She mentioned that one other individual stated that she was no longer in favor.

Dale McGorman, 2855 Norton Lawn, stated that the road is not only a dust hazard for residents on the east side, it also does damage to cars. He commented that he has had cars in his ditch. He expressed his hope that Council moves forward.

Terri Meiers, 2819 Norton Lawn, expressed her thanks to Council for supporting the project. She commented that attempts to move toward paving the road were unsuccessful 20 years ago because at that time drains were not installed. She stated that there have been two injury accidents on the road, involving a 14 year old and a 15 year old. She noted that paving will help keep speeds down.

President Hooper questioned whether one invalid signature invalidates the entire petition.

Tina Barton, City Clerk, responded that it does not. She cautioned the use of the word forgery when considering signatures, noting that signatures can change drastically over time from those obtained from driving records. She explained that the Assessing Department knocked on doors to confirm signatures, and she stated that it is her belief that the City went above and beyond to confirm signatures.

President Hooper noted that this request was brought to Council. He stated that the SAD Policy was vetted at the Public Safety and Infrastructure Technical Review Committee, and the individual resident buildable lot maximum cost is capped at \$5,000; above that, the City will pay the difference. He questioned how many raised speed humps per street would be installed.

Mr. Schneck responded that the project will not be allowed to go to bid without the incorporation of speed humps. He stressed that the road will not be built and

then the humps installed later. He noted that Council's approval will be sought before advertising the project.

President Hooper questioned where the humps are designed to be located, how homeowners will sign off on the locations, and whether it would be relocated if one homeowner objected.

Mr. Schneck responded that the City does its best to position speed humps with permission.

President Hooper questioned whether there is any consideration that the project would be built without speed humps.

Mr. Schneck responded that it would not.

President Hooper noted that both streets have more than 51 percent in favor.

Council Discussion:

Ms. Morita stated that she would like the record to reflect that Council has been provided copies of the petitions for and against, along with attachments. She noted that a property owner could be charged a maximum of \$5,000. She pointed out that the project has a \$800,000 total estimate and questioned whether the City would pick up \$450,000 of the cost.

Mr. Schneck responded that this is based on the number of properties, and the amount could be slightly higher.

Ms. Morita questioned what would happen if the project is let for bid and comes in at \$1.6 million.

Mr. Schneck responded that the project would be let in December or January for first or second quarter bidding, typically when the industry lays off personnel.

Ms. Morita questioned whether the City would still move forward with a resident cap if it comes back at \$1.6 million.

President Hooper responded that Council's approval is required for the construction contract if it is bid.

John Staran, City Attorney, stated that Council may discontinue the process at any point. He commented that he does not recall any occasion where that has happened; however, Council does have the option to determine not to proceed.

Mr. Wiggins questioned what the percentage of approval was for each street.

Mr. Schneck responded that 25 of 35 property descriptions on Norton Lawn were in favor, or 68.5 percent. He noted that considering the objections for Hickory Lawn, 18 of 33 properties were in favor, or 54.55 percent.

President Hooper noted that the next step would be for the City Assessor to prepare a roll with individual assessments. A Public Hearing date would be set for Council to review and approve the roll. Once documents were prepared, Council would have an opportunity to approve the contract.

Mr. Hetrick noted that the engineer's report indicates the installation of four speed humps.

President Hooper expressed his support, noting that more than the majority of residents support the paving. He added that if the cost of construction comes back higher, even though he will not be a member of Council, he would assume that the future Council would approve the project.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0260-2015

Whereas, on January 26, 2015, the Rochester Hills City Council tentatively determined to proceed with the public improvement of Norton Lawn and Hickory Lawn and to establish a special assessment district for purposes of making the public improvement and paying a cap of \$5,000 per parcel as the cost thereof; and

Whereas, the City Council tentatively delineated the special assessment district to include the properties fronting on Norton Lawn and Hickory Lawn, which the City Council has determined will be specially benefitted by the public improvement in the City of Rochester Hills, Oakland County, Michigan; and

Whereas, the City Engineer's report, which includes the plans, specifications, detailed cost estimate and estimated life of the public improvement, has been on file in the City Clerk's Office and appropriate notice of a public hearing on the advisability of proceeding to establish a special assessment district for the making of the public improvement was given; and

Whereas, the City Council held a public hearing on August 10, 2015, giving interested persons an opportunity to be heard and considering any objections or comments made concerning the proposed public improvement and the establishment of the special assessment district; and

Whereas, following the public hearing, the City Council deferred action for 28 days to allow time for petitions objecting to the project to be submitted;

Now, Therefore, Be It Resolved:

1. The City Council determines that the proposed public improvement is necessary and that the City of Rochester Hills shall proceed with the public improvement of Norton Lawn and Hickory Lawn, in accordance with the City Engineer's report on file in the City Clerk's Office, which report is hereby approved;
2. The City Council further determines that a special assessment district shall be established for purposes of making the public improvement and paying a cap of \$5,000 per parcel, the cost thereof; The limits of the special assessment district are delineated to include the properties fronting on Norton Lawn and Hickory Lawn which the City Council

determines will be specially benefitted by the improvement in the City of Rochester Hills, Oakland County, Michigan.

3. The City Council further determines that the benefits that will be received by the described properties include Norton Lawn and Hickory Lawn and the part or proportion of the cost of the public improvement to be paid by the City shall be capped at \$5,000 per parcel.

4. The City Council directs the City Assessor to prepare a special assessment roll which shall describe all of the parcels of land to be specially assessed, with the names of the respective owners thereof, if known, and the total amount to be assessed against each parcel of land, based on a declining rate method of assessment, which amount shall be the relative portion of the whole sum to be levied against all parcels of land in the special assessment district as the benefit to the parcel of land bears to the total benefit to all parcels of land in the special assessment district. When the Assessor completes the special assessment roll, the Assessor shall affix his certificate stating that said roll was made pursuant to this resolution adopted on September 28, 2015, and that in making the special assessment roll the Assessor has, pursuant to his best judgment, conformed in all respects to the directions contained in this resolution and the laws of the State of Michigan.

5. When the Director completes the special assessment roll, it shall be filed with the City Clerk for presentation to the Council for review and confirmation.

2014-0011 Request for Purchase Authorization - DPS/ENG: Increase to Blanket Purchase Order/Contract between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills for the Clinton River Trail Transportation Alternatives Program in the amount of \$20,000.00 for a new not-to-exceed amount of \$72,200.00; Michigan Department of Transportation, Lansing, MI

Attachments: [092815 Agenda Summary.pdf](#)
[MDOT Bid Tabs.pdf](#)
[Revised Cost Participation Construction Agreement.pdf](#)
[091415 Agenda Summary.pdf](#)
[MDOT Construction Funding Agreement 083115.pdf](#)
[100614 Agenda Summary.pdf](#)
[Cost Participation Agreement.pdf](#)
[Spalding DeDecker Proposal.pdf](#)
[Staran Approval.pdf](#)
[Auburn Hills Approval.pdf](#)
[Rochester Approval.pdf](#)
[FCRT approval.pdf](#)
[012714 Agenda Summary.pdf](#)
[Presentation 021113.pdf](#)
[012714 Resolution.pdf](#)
[100614 Resolution.pdf](#)
[091415 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Allan Schneck, Director of DPS/Engineering, stated that the Michigan Department of Transportation (MDOT) agreement approved at the previous Council Meeting included figures in the financial exhibit from the Engineer's estimate of \$252,000. He explained that bids were taken on September 4, 2015 and the low bid amount was \$271,436.20. He noted that this raises the City's participatory share to

\$72,200, an increase of \$20,000. He pointed out that the grant obtained is for \$200,000, and was spearheaded by the City of Rochester Hills in partnership with the Clinton River Trail, Christine Wiltfang of Oakland County, Auburn Hills and the City of Rochester.

Mr. Brown noted that he has been struggling recently with the rising cost of construction of these different projects. He questioned how a \$52,000 project estimate increased by \$20,000.

Mr. Schneck responded that the MDOT are the stewards of highway dollars. He explained that an engineer's estimate is developed for a project, and that estimate is sent to MDOT through the Local Agency Program. Once funds are obligated, MDOT takes the engineer's estimate and develops an agreement. He noted that the agreement typically is presented to a community prior to the project being let for bids. He noted that based on the market, the price can come in higher than what was approved in the MDOT agreement, and he stated that any participatory share in excess is the responsibility of the local agency. He commented that when the Administration received this particular agreement, it had a desire to present it to Council. He noted that while the agreement cites \$252,000, \$272,000 is the actual cost.

Mr. Brown questioned whether the City is seeing double digit increases in prices over the last three months, and what could be done to secure better forecasts. He commented that the Older Persons' Commission recently had a huge miss on pricing for their parking lot.

President Hooper commented that the market is fluid, with fewer contractors out there, and all full of work. He stated that this is the wrong time to go out for bid, and he noted that the time to go out is November, December, or January.

Mr. Brown questioned the timing of the project and questioned why it could not have been bid in December.

Mr. Schneck responded that MDOT's estimate was \$269,000, and the lowest bid was \$271,436, or 0.61 percent over the engineer's estimate. He explained that the Agreements Group at MDOT basis its figures on the engineer's estimate; while the Specifications and Estimates group develop independent figures based on expense figures and taking market conditions into account.

Mr. Hetrick questioned whether Auburn Hills and Rochester share support of the adjustment.

Mr. Schneck responded that it has been sent to both agencies. He noted that the request is on Rochester's agenda this coming Monday. He explained that Auburn Hills may have the authority to sign the agreement; if not, it will be on a future meeting agenda. He commented that the communities have supported the project all along, and he has not heard any objections.

Mr. Hetrick noted that he does not see the other communities being overly concerned with the adjustment.

Mr. Wiggins questioned whether the contract figures are made public while the bid goes out.

Mr. Schneck responded that it is not. He noted that the engineer's estimate is not shared with potential contractors.

Mr. Brown questioned how the City's share increased by \$20,000 if the bid was only off by one percent.

Mr. Schneck explained that when a project is designed with in-house staff or by a local agency, plans and specifications are developed. Once complete, they are submitted to MDOT. He noted that once approved, the community is obligated and the money is set aside. He stated that the engineer's estimate is sent to an Agreements group where language is assembled. The local agency receives the agreement prior to the project being advertised. He noted that a division within MDOT reviews the specifications and estimates, and determines whether unit prices are appropriate. If they do not believe the estimates are appropriate, the estimates are changed, and that project goes out for bid. He explained that the agreement cites \$252,000; however, MDOT's estimate was \$269,000. He noted that the \$72,200 local share is divided up between the agencies, with Rochester Hills obligated for 29 percent of that local share.

President Hooper noted that Rochester Hills will carry the entire budget and invoice the other two participating agencies.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdel and Wiggins

Enactment No: RES0261-2015

Resolved, that the Rochester Hills City Council hereby approves an increase to the Contract/Blanket Purchase Order between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills for the Clinton River Trail Transportation Alternatives Program in the amount of \$20,000.00 for a new not-to-exceed amount of \$72,200.00 and authorizes the Mayor and City Clerk to execute the contract on behalf of the City.

2014-0029 Request for Purchase Authorization - BLDG: Increase to Blanket Purchase Order for Fire Suppression Plan Review, Fire Alarm Plan Review and Inspection Services in the amount of \$20,000.00 for a new not-to-exceed amount of \$135,000.00 through December 31, 2015; Fire Safety Consultants, Inc., Elgin, IL; Fire Savvy Consultants and Services L.L.C., Commerce, MI

Attachments: [092815 Agenda Summary.pdf](#)
[062915 Agenda Summary.pdf](#)
[021014 Agenda Summary.pdf](#)
[Proposals Tabulation.pdf](#)
[021014 Resolution.pdf](#)
[062915 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, stated that the increase requested for consultant services for the review of Fire Suppression and Fire Alarm plans is a pass-through expense. He noted that there has been significant activity on larger projects that have caused extra costs. In addition, the City's inspector that was trained in Fire Suppression and Fire Alarm Plan Review left and went to the private sector, resulting in the need to hire out the review services. He commented that it is hoped that the increase will take the Department through the end of the year.

President Hooper noted that the expense is 100 percent reimbursable.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0262-2015

Resolved, that the Rochester Hills City Council hereby authorizes the increase in the amount of \$20,000.00 to the Blanket Purchase Order to Fire Safety Consultants, Inc., Elgin, Illinois, as primary vendor, and Fire Savvy Consultants and Services, L.L.C., Commerce, Michigan as secondary vendor, for a new not-to-exceed amount of \$135,000.00 through December 31, 2015.

2015-0375 Presentation of Options for Fire Station #4 Construction; George W. Auch Company, presenters

Attachments: [092815 Agenda Summary.pdf](#)
[Suppl Presentation 092815.pdf](#)

See Legislative File 2015-0363 for Presentation and Discussion.

Presented.

2015-0363 Request for Purchase Authorization - BLDG/FACILITIES: Increase to Blanket Purchase Order for Construction Management Services for the Fire Station Project in the amount of \$5,915,118.00 for a new not-to-exceed amount of \$6,080,143.00; George W. Auch Company, Pontiac, MI

Attachments: [100515 Agenda Summary.pdf](#)
[Fire Chief Canto Response 100115.pdf](#)
[Response to City Council Questions 100115.pdf](#)
[Fire Stations Cost Cutting Analysis 100115.pdf](#)
[Fire Station Project Scope Changes 100115.pdf](#)
[Sawdon Memo-Fire Station Funding 092915.pdf](#)
[Fire Station Funding Options.pdf](#)
[Fiscal Response to Morita Questions.pdf](#)
[Suppl Response to Additional City Council Questions.pdf](#)
[Suppl Funding Email-Tisdell 100615.pdf](#)
[Suppl Funding Email-Snyder 100615.pdf](#)
[Draft Minutes Excerpt - Fire Station Projects 092815.pdf](#)
[092815 Agenda Summary.pdf](#)
[Suppl Presentation 092815.pdf](#)
[RHFS GMP Stations 1, 2, 3 & 5a.pdf](#)
[091415 Agenda Summary.pdf](#)
[Auch Temporary Trailer Stations #3 & #5.pdf](#)
[091415 Resolution.pdf](#)
[092815 Resolution \(Draft\).pdf](#)
[Resolution \(Draft\).pdf](#)

President Hooper stated that both the Presentation and the item regarding Construction Management Services for the Fire Station Project would be discussed together.

Scott Cope, Director of Building/Ordinance Compliance, introduced Sean Canto, Chief of Fire and Emergency Services, and noted that also in attendance were **Aaron St. Dennis** and **Jim Munchiando** from George W. Auch Company, the Construction Managers, along with representatives from the architectural firm, CHMP. He presented an overview of the Fire Station Project timeline:

- City Council was presented with a recommendation from the Public Safety and Infrastructure Technical Review Committee in July of 2014. At that time, a preliminary budget of \$6.8 million was provided for the projects including renovation of Stations #1, #2, #3 and #5, along with a new building for Station #4.
- September 2014 - City Council approved the contract for CHMP as the architect to facilitate the design of the construction projects.
- December of 2014 - City Council approved the site plans for Stations #2, #3, #4 and #5.
- April 2015 - The Construction Manager was hired. The Administration reviewed the projects and the scope of the work and it was determined that City staffing in the Facilities Division and Purchasing area was not sufficient to be able to handle all of the activity that would be necessary for these projects. The services of a construction manager was retained for the pre-construction phase.
- June 2015 - The Construction Manager's estimate was substantially higher, at \$10.4 million.
- June-July 2015 - After receiving the estimate, the Architect, Construction Manager, and Fire Department and Facilities Staff spent hours reviewing every line item in the project, looking for what could be done to cut costs and try to minimize the overage. While the review allowed for the saving of substantial dollars, it was not significant enough to make an impact.
- August 2015 - Bids were received higher than were projected by the Construction Manager.

- September 2015 - The Construction Manager provides guaranteed maximum prices for Stations #1, #2, #3, and #5 at \$5,915,118 and for Station #4 at \$4,563,951, for a total of \$10,479,069.

Mr. Cope noted that while the total appears to be close to the Construction Manager's June estimate, the June figure included some additional charges that the City is responsible for. He highlighted the additional charges that are not included in the guaranteed maximum price amounting to \$1,135,130. Significant amounts for those charges include equipment/furnishings, and architecture fees. The total project budget for all five stations is \$11,614,199.

A chart highlighted a comparison of the estimate and bid figures for each station. He noted that the original estimate for total costs for all stations was \$7,777,184.

Mr. Cope noted the line items that resulted in the estimate being so far off of the actual figures. He displayed a chart beginning with the original estimate of \$6.8 million, and explained that scope changes accounted for \$792,000.

He stated that drainage issues were encountered for Fire Station #4 which impacted owners neighboring the property. It was necessary to address these concerns, resulting in an underground storage retention being needed that significantly increased the cost. In addition, there were some concerns related to the screening and look of the property as it abutted the neighbors which resulted in additional costs of \$35,000 for plantings and a landscape wall that the Planning Commission requested be incorporated.

He noted that the estimate that was originally provided did not include the Construction Management Fee at \$1,298,819. Based on the percentage of cost, the Architectural Fee of 7.5 percent would also increase by \$365,930. He noted that the Administration is in negotiations with the architect at this time and feels that there will be a reduction in that fee. The Contingency, based on a percentage of cost, will also increase by \$354,000.

He mentioned that as seen in other projects, there have been increases to construction costs in the year since the original estimate was provided. He commented that the Building Department is seeing these increases in projects that are being submitted for review. He stated that there is a shortage of contractors and this shortage is resulting in significantly higher prices.

He explained that the Administration wanted to look at every option available, and reviewed Station #4 as it was the largest component of all the projects. He noted that Aaron St. Dennis, George W. Auch Company, would review the options.

Mr. St. Dennis stated that multiple options were explored in the value engineering process to ensure that all options were exhausted. One option that came up was using the existing site where Station #4 is currently located. Three main factors were considered, including maintaining the square footage, addressing the City's needs in maintaining the operations for Fire Station #4, and whether the project would fit on the current site. An overlay was displayed depicting the current site, and it was noted that a cellular tower was on the property. Upon consideration, it was noted that the project would fit. He commented that there would be a few items on the east side of the building, including the patio and a bump-out vestibule

that would have to be adjusted. He stated that the main focus was to get a turnaround for the trucks to access, obtain the four apparatus bays needed for the original design, and develop a similar building to what was previously designed.

He presented a chart which highlighted the cost estimates for the four options considered, and summarized the options:

- Option 1 - Build Station #4 as it is bid on the vacant property to east of the existing building.
- Option 2 - Level the existing building and build on the same location. There would be approximately \$200,000 to \$300,000 in cost savings.
- Option 3 - Keep the two existing bays currently on site, demolish the remaining portion of the building, and add two bays and living quarters. The result would be the same square footage as Options 1 and 2.
- Option 4 - Leave the two existing bays, add one bay and living quarters to the east. This option would shrink the total square footage by roughly 1,000 square feet.

Chief Canto reviewed the different options. He began with Option 3 and 4, noting that the Department would have to work with the Construction Manager to ensure that Fire Staff would be able to stay in the station and work out of it. He commented that he did not believe that the estimates included working out of a trailer, and utilizing the existing apparatus bay.

For Option 2, he noted that if the building were torn down completely, Auburn Hills confirmed that they would allow Fire Staff to co-locate at their Squirrel Road station for a period of time. He commented that response times would increase with units dispatched from their location.

For Option 1, he stated that Fire Staff would be able to stay in the current station while the other station was being built.

He commented that there are challenges with each option; however, there are none that could not be overcome. He added that increasing the station to house four bays would allow equipment to be stored out of the weather, including the Child Safety House which is currently stored outside year-round and requires annual repairs. Furthermore, the second ambulance would be able to be run out of that station.

Mr. Cope noted that expanding that station affects the number of staff located there.

Chief Canto commented that Station #4 is operational; however, it is not very functional. The Department planned on running three individuals out of that station, where now only two individuals are housed there. He noted that there currently are no accommodations for a female fire fighter at Station #4; females currently must shower in the men's locker room.

Mr. Cope pointed out that Options 2, 3 and 4 would have to be re-bid, and he stated that this presents a potential for a price increase. He added that architectural fees for plan revisions are not included, nor are the costs for any temporary trailers needed to house firefighters.

Public Comment:

Scot Beaton, 655 Bolinger, stated that while he knows that the costs are hard to consider, public buildings are there to support public needs. He commented that while some changes may have been proposed to what was originally expected, fantastic new public buildings would result. He stated that it is his opinion that the Fire Department and the consultants involved have all done an excellent job, and he looks forward to these new structures in Rochester Hills. He stated that it is difficult to demand that the private sector construct a more elaborate building while the public sector erects something cheaper.

Council Discussion:

President Hooper commented that while the market is the market, the project cost yields sticker shock. He questioned the Construction Manager's portion of \$1.298 million, noting that it must represent more than just the fee.

Mr. Cope responded that this amount includes the General Conditions, Insurance, Bonds and Construction Management fee.

President Hooper pointed out that the Architects were originally happy with 7.5 percent of the estimated budget, and he stated that they should be happy with that original amount. He commented that while they should be entitled to a fee for any increase in the scope of work, they should not be reaping a windfall from the City for market cost. He stated that he does not see the increase as an item Council should approve funding for.

He reviewed Option 1, noting that Fire Staff would stay in the building during construction. For Option 2, the entire building would be leveled and Fire Staff would have to move to an alternate location. Option 3 would be to maintain the bays and include trailers to house Fire Staff. Option 4 would be the same as Option 3, with a smaller building resulting. He noted that with all options, a contingency is built into the project cost, approximately \$900,000.

Mr. Wiggins questioned whether the total project cost of \$11,614,199 includes all soft costs.

Mr. Cope responded that this figure includes all of the additional costs that the City will incur and incorporates the Guaranteed Maximum Price.

Mr. Wiggins questioned whether this includes the contingency fee, representing a worst-case scenario price of \$11,614,199.

Mr. Cope responded that this was absolutely true, with the caveat that Council would have to make a decision tonight to go with all five stations. He stated that if considering other options for Station #4, with the need to rebid that portion of the project, the resulting bids could differ.

Mr. Wiggins questioned whether all five stations would be rebid.

Mr. Cope responded if Council were looking at options for only Station #4, only Station #4 would be re-bid. He noted that Option 1 has been bid and is a guaranteed price.

Mr. Wiggins commented that if rebidding, prices would most likely go up again.

Mr. Cope concurred that they would. He added that the bids have a deadline. After the deadline, the bidders have the option to pull back their bids.

Mr. Wiggins questioned how long the deadline has been known.

Mr. Cope responded that this deadline was known since the bids were received; however, work has continued to mitigate costs.

Mr. Wiggins commented that this puts Council on the spot. He noted that the potential costs have been known since June; however, Council is being asked to make a decision in just a few days.

Mr. Hetrick expressed his appreciation for the fact that the project cost would be capped at \$11.6 million if Council chooses to proceed tonight. He questioned what happened to alter the scope of the projects. He pointed out that the scope change for Station #4 alone was nearly \$2 million.

Mr. Cope responded that the preliminary budget is an estimate, which is adjusted to the actual numbers once the project is bid. He stated that the difference is \$792,000 for all five projects, representing the difference between the preliminary estimate and the hard price of the bids received.

Mr. Hetrick stated that he would agree with Chief Canto that there are functional things in the stations that must be addressed. He commented that Council toured the stations and observed areas where conditions were appalling, including the lack of women's facilities. He noted three important items to be addressed, including sleeping quarters to cover 24/7 operation for both men and women, providing women's facilities, and upgrading kitchens. He stated that opportunities to adjust the costs downward could be in slimming down the fitness and office areas, or eliminating signage upgrades. He commented that while he can see the importance in providing a fitness area, he wants to ensure that the City is spending the residents' money appropriately. He stated that he is not ready to approve another \$4 million. He noted that the project should focus on the sleeping quarters, women's facilities, and kitchens.

Mr. Cope responded that signage was removed from the project, cutting approximately \$250,000. He stated that all portions of the projects were reviewed; and he would commend Chief Canto for his foresight to design buildings that will be there for the future. He commented all possible options for cutting costs were reviewed, and these are bare-bones stations with the necessities required for the firefighters that work there.

Chief Canto noted that a community/conference room was incorporated for Station #4 to provide an area for someone in the community to hold a meeting. He commented that while that was not originally planned, the intent was to provide ways for the building to be used by the community as well. He stated that he is looking at these buildings for the future, and does not wish to come back in ten or twenty years to ask for additional work. He commented that the cost associated with the architect or construction manager for changes could be reviewed.

Mr. Hetrick stated that right now he is having a difficult time considering the \$4 million in additional capital needed. He questioned whether the DPS Facility could be utilized to store equipment that is not accessed on a regular basis.

Mr. Cope responded that the DPS building was reviewed for housing trucks and providing temporary living quarters for Station #2, saving approximately \$100,000 due to eliminating the need for temporary trailers. He stressed that the projects were reviewed line by line. He commented that even eliminating some of the items that were just mentioned would not result in cost differences of millions of dollars. He noted that this is the reason why these items were not brought to Council previously, as the project was being closely reviewed in an attempt to find a way to bring the project in at the original budget. He stated that if the City wishes to have fire stations that are the minimum required, this configuration is what is needed.

Mr. Hetrick commented while he would agree that the stations should be functional, perhaps Option 4 for Fire Station #4 should be considered to drop another half-million dollars from the total. He stated that another effort should be made at getting the numbers lower.

President Hooper commented that in order to have significant savings and drop the total cost to the budgeted amount, a station would have to be dropped from the project.

Mr. Cope noted that the second item for consideration this evening was to approve the work for Stations #1, #2, #3 and #5 without Station #4 as it is the most viable part of the project to have options for or eliminate. He pointed out that dropping that station from the project does not correct the conditions that Chief Canto mentioned earlier for women's facilities and the ability to have more than two staff members at the station.

President Hooper noted that Option 1 for Fire Station #4 is ready to go. Council could opt to move forward and not redesign. He pointed out that there would be a fee for redesign. He questioned when the bids were called in.

Mr. St. Dennis responded that it was August 7, 2015, with a 60-day hold on the bids.

President Hooper questioned whether the bids would be good until October 7, 2015.

Mr. St. Dennis responded that was correct, or perhaps a little bit longer.

Ms. Morita commented that she also toured the stations and would agree that there is a need for change. She expressed concern that staff knew about this pricing issue since June and July, and her first indication of the difference was in Council's packet last week, with the entirety of it being made available to her at 5:00 p.m. today. She stated that she has had the information for four hours, while staff was sitting on the information for two months without any indication to Council that this would be a significant problem. She commented that this project could impact the safety of the residents, and she stated that it is highly concerning that it has taken this long to bring it to Council's attention. She commented that she believes it is unfair to put Council on the spot with a deadline three days away and limited information as to what is being changed on the projects and what the projects will look like when they are completed. She stated that Council has a fiduciary duty to the residents. She pointed out that the thought was that when all

of the stations were bid together, there would be cost savings realized. She suggested that bidding the projects together has led to the possibility that a monster has been created, as significantly more demand has resulted. She stated that the projects need to be staged more carefully and spaced out, and she commented that she could not approve an additional \$4 to \$5 million tonight. She questioned whether this was properly noted on the agenda and if Council could act upon that request tonight.

John Staran, City Attorney, noted that Legislative File 2015-0363, refers to an increase in the Blanket Purchase Order for all stations except Station #4.

Ms. Morita stated that she did not realize that she would be asked to approve that amount this evening. She noted that she would like more specifics on how the designs have been pared down, based on the information that was provided to Council on what would originally be going into each station, and what the changes are that the City would be paying for with \$6- to \$7 million dollars. She stressed that she would like to know what would happen with the pared-down projects for Stations #1, #2, #3 and #5 and what has been cut out. She commented that she does not know if, based on the City's needs, she would approve cutting those things out of the stations. She stated that she does not wish to be paying more down the road if the projects are not completed properly the first time. She questioned where the \$5 million overage would come from. She stated that she would assume it would result from budget cuts from other funds. She commented that this is not planned for, Council is being rushed to make this decision, and she did not feel comfortable voting on any increase at all this evening with the information provided.

President Hooper requested where the additional funding would come from.

Keith Sawdon, Director of Finance, stated that the Fire Fund Operating Balance has funds available. He noted that by using \$2 million from that fund, the fund would still be within the confines of the Fund Balance Policy. He pointed out that the only other undesignated Fund Balance available is General Fund, as all other Fund Balances are designated for the purpose in which the revenue was collected. Therefore, \$2 million from Fire Operating and \$3 million from General Fund would be required. He added that all \$5 million could come from General Fund; however, not all \$5 million could come from Fire Fund as it does not have the ability to provide those funds and stay within the Fund Balance Policy.

Ms. Morita questioned how it would affect the new millage rate if it would come out of the Fire Operating Fund, and if it would affect the Capital Fund Balance.

Mr. Sawdon responded that it would not. He explained that in the forecast, Fire Operating in the seven years going forward is not predicted to change. He commented that Fire Operating Fund Balance has been at that level for multiple years, and the forecast predicts that it should remain that way for years to come.

Ms. Morita questioned what percentage of General Fund that \$3 million represents.

Mr. Sawdon responded that General Fund currently has \$23 million available. He noted that even with the forecast going out 30 years, and with the Capital Improvement Program in place for Local Roads, that Fund Balance does not change for the 30 years. He commented that within the seven year forecast and

beyond, the City is using current revenue generated by General Fund to generally do most of the Local Road improvements. He pointed out that in 2016, the City is only pulling \$1 million out of General Fund Fund Balance to do almost \$5 million in improvements. Going forward in 2017, from memory, he believes it will be \$1.2 million from General Fund Fund Balance to do just under \$5 million in improvements. Therefore, General Fund Fund Balance is considered healthy. He commented that if \$3 million were removed from General Fund Fund Balance, the City would still have approximately 90 percent coverage of General Fund expenses over 30 years.

Ms. Morita requested that Mr. Staran comment whether Council could consider the increase.

Mr. Staran responded that Council could, as this is not a Special Meeting. He stated that even though it is not on the Agenda, Council has the legal ability to add items and act upon things. He commented that it is up to Council whether it finds it advisable to do so.

Mr. Cope addressed Ms. Morita's concern about how long it took to bring this to Council, noting that the team has been working very diligently from the time that the bids were brought in to verify that the prices were accurate prior to submitting them to Council. He requested Mr. St. Dennis review the bid process.

Mr. St. Dennis explained that following the bids being taken in, post-bid interviews were done with each and every contractor to ensure that their bid contains the scope and products called for and that they will meet the schedule for the job. He commented that this process does take time for the interviews of each and every contract. He added that bidding the projects together creates a more competitive market and a larger project for contractors to go after, yielding better pricing. He pointed out that bids were broken down by each station, and the lowest bids were noted for each station.

Chief Canto stated that all possible cuts were looked at, from installing fluorescent lights instead of LED lighting, eliminating full tile on bathroom walls to installing tile half way. He commented that when the stations were originally designed and direction was given to the architect and Building Department, the direction was that the result should not be anything elaborate. The goal is to be able to house staff, feed staff, provide a place to sleep, and have a place to put the apparatus. As items were being reviewed for cuts, it was proposed that tile become carpet to save funds. He stressed that the function of the station did not change; however, the core areas around the station may have.

Mr. Tisdell commented that whether it is this project or some of the road projects the City has undertaken, there have been other instances of surprises in the bid outcomes due to market fluidity. He stated that the market is changing; and he noted that it is changing at a rate that grossly outpaces the ability to generate incremental City revenues. He commented that he has personally had instances where the market has changed. He noted that changes are made in the scope of projections and plans are scaled back. He stated that he believes it would be silly for Council to continue down this road and try to cut everything in half and come out with five projects that are not worthy of what is increasingly seen as an elite city, not only in Southeastern Michigan and the state, but nationally. He pointed out that the

City competes for residents and new recruits and must retain its people, and he does not want them in something that is halfway there. He commented that it is his opinion that the City cannot cut its way out of \$4- or \$5 million and get the project back into what it was originally planned. He noted that while the market has moved, the City cannot move as fast as the market has. He suggested that the project be kept within the budget and do the absolute best it can for the city with those dollars; and proceed further in later years.

Mr. Brown stated that it is more the point of how projects are estimated. He commented that in business, items need to be cost today that will be sold 18 months to two years from now. He noted that if an error is made money could be lost for five years in a row. He pointed out that \$6.6 million to \$10.5 million is a miss by 57 to 58 percent. He stated that he does not know how the City can retain estimators, even with market conditions changing, that are missing by 60 percent. He noted that it put the City in the situation where firefighters have been hired and staffing added under the assumption that great facilities will be available, and instead firefighters will be placed in facilities that are undersized. He pointed out that if reviewing Option 4, and the estimates are wrong by 57 to 58 percent, that option would cost \$6.9 million instead of \$4.3 million. He stated that he needs to understand who is making estimates. He commented that for Station #4, the options range from \$4.4 to \$4.9 million; however, a guaranteed max of \$4.5 million was displayed on a slide. He questioned which number was being authorized. He expressed his frustration, and stated that when Council was looking at spending \$6 million, a full presentation was made as to funding and the resulting scope of the project. Instead, Council is looking at spending 60 percent more than that, and it is being presented a fairly condensed timeframe to make that decision. He stated that he would like to take a step back and undertake another round of design and bidding before jumping in to commit another \$4 million of resident funding.

He commented that Fire Station #4 options include saving \$563,000 out of \$5 million, or a little over 10 percent, with another \$5.9 million for the other stations. He suggested looking at options for the other stations to save 10 percent on those as well. He noted that he is not in a position to add 60 percent of the funding, however vital it is to support the Fire Department, as he cannot support misses that large.

Mr. Cope requested **Greg Mason**, representative from CHMP, the project Architect, address Council.

Mr. Mason stated that it was a shock to everyone when the bids came in. He explained how estimates are done, noting that back in September, preliminary designs were completed for the stations. From those designs, budgets were developed using RS Means, an up-to-date estimating annual publication, and a combination of current bids. He noted that the firm has designed and built over 40 stations and felt it had a pretty good feel for what these buildings cost. These items were the basis for the estimates used in October 2014. He noted that the firm had recently bid out Fort Gratiot's station, coming in at \$189 per square foot; and he pointed out that the systems put in those stations were identical, including heating systems, and type of construction. He commented that the City budgeted for an 8,300 square foot station at \$260 per square foot; and he noted that the bids came

in at \$512 per square foot. He stated that when the bids came in their firm sat down with Auch representatives and asked how it was possible that bids were coming in at costs where hospital work was coming in at two years ago. He noted that the response was that it was market conditions. He pointed out that on some of the stations two or three bids were received; and he noted that market conditions have changed dramatically and are out of the range of RS Means or any ability to predict. He commented that feeling a sense of urgency, discussions were held with Chief Canto and the estimators regarding rebidding or making cuts. He noted that these are not elaborate buildings, they are nice buildings with low-maintenance materials and energy efficient systems. He mentioned that the design is almost the same as was undertaken for Sterling Heights in 2010, which was completed for \$160 per square foot. He stated that market conditions have changed dramatically. He commented that he was not opposed to looking at options such as rebidding or redesign.

He offered that he would be more than happy to review the components such as heating systems, types of materials, and standing seam metal roofs. He stated that only two to three bids were received on some stations. He pointed out that the project was on the Michigan Intergovernmental Trade Network (MITN), along with all the websites, to advertise. Auch representatives called firms. He stated that the markets are saturated with work right now and the results of that fact are being felt. He commented that it is very unfortunate and CHMP feels horrible about it, and is working with the City, the Chief, and Auch to do what it can to bring things back in line. He noted that he has no good answer other than market conditions have significantly changed.

He mentioned that soil and geotechnical issues were encountered, such as the inability to use trench footings or mass pours, and the requirement for traditional-type poured footings, even though the original buildings were built with trench footings. He pointed out that the underground detention required is a large cost, yielding site costs along on Station #4 of over \$1 million for upgrades to the drainage system, paving, and the amount of fill. He stated that these are things that could not have been known at the time that preliminary budgets were put together; they were discovered when the investigation phase was undertaken, soil reports became available, and work with Engineering regarding drainage problems for the neighborhood behind. He stressed that these items came about after the preliminary budgets were established and the team began digging into these projects.

President Hooper questioned what could result with rebidding the projects.

Mr. St. Dennis responded that there is a chance that the price could go up. He stated that the market is not slowing down, there are more projects that are out there every single day, and there are half the tradesmen are in the state that there were five years ago.

Mr. Brown stated that he would say to the general staff that if a six- or seven-figure swing in costs are encountered, he would recommend that Council be advised by email that the problem is there and staff is working on it. He suggested considering staggering the projects instead of trying to build them all at the peak. He commented that something that should be \$200 per square foot is coming in at

\$500 per square foot. He stated that perhaps the critical ones could be undertaken in 2016 and push off some of the others into 2017 and 2018. He noted that while it could go to \$600 per square foot, it could also go back to \$250 or \$300 per square foot. He stated that making a decision tonight is too rushed.

President Hooper questioned the construction timeframe.

Mr. St. Dennis responded that it is roughly one year, listing the range for the various stations. He noted that Station #4 was somewhat over one year.

President Hooper commented that Station #1 was three to four months.

Mr. St. Dennis responded that was correct, noting that it was an interior remodel encompassing mainly doors, adding a bunk room, and doing HVAC work.

President Hooper noted that Station #2 was estimated at 12 months.

Mr. St. Dennis stated Stations #3 and #5 were 48 weeks. He added that material costs are increasing as well.

Mr. Wiggins stated that Council supports the Fire Stations; however, it wants to find the best way to implement this. He questioned what would happen if work on Fire Station #4 were delayed, as it is throws the project over budget. He questioned how long it could be delayed.

Chief Canto responded that the station is operational. He noted that he would not be able to put the third person into that station as originally planned. He pointed out that the station barely houses the two individuals currently in it. He commented it would change his operational plans, and responses from that station for certain runs would have to have another unit going with them, as is currently done. He stated that doing this pulls the additional unit out of the other area.

Mr. Wiggins questioned whether expenditures such as taking \$3 million, or approximately 13 percent, from Fund Balance have been done in the past. He commented that no one figured that the estimate would be off by \$5 million and expressed concern for future contingencies that may be encountered.

Mr. Sawdon noted that the City does have \$23 million in Fund Balance; and removing \$3 million would leave \$20 million, or 90 percent of coverage. He stated that if the market is changing, perhaps his assumptions should change as well. He pointed out that most of the City's costs are personnel and fringe benefits, and there is not much exposure to those items driven by the Consumer Price Index. He stated that he feels comfortable if Council chooses to move forward that General Fund can provide this funding and Council could still continue with its road projects. He explained that when looking out into 2018, 2019 and 2020, the road projects funded in those forecasts are being funded out of current revenue sources and are not tapping General Fund Fund Balance. He noted that in the current forecast, the \$23 million never drops in 30 years.

Mr. Wiggins questioned whether there were other areas to find funding to make up the \$3 million such as road funding.

Mr. Sawdon responded that if General Fund expenditure budget were adjusted to find \$3 million, the most logical and easiest choice would be the funding for Local Roads. He stated that he would caution doing that, as there is a great need to improve the City's infrastructure. He commented that the funds are sitting in a reserve earning less than one-quarter of one percent. Having the funds sitting in a bank account earning such little interest while construction costs are rising quite quickly is not preferable to investing in the infrastructure.

Mr. Wiggins commented that the costs should be spread out over a few years. He stated that Fund Balance is there for emergencies. He expressed frustration on how the project is so over budget. He strongly urged not to pay the 7.5 percent additional fee.

Mr. Kochenderfer questioned whether it was the architect that came up with the original estimate.

Mr. Cope confirmed that it was.

Mr. Kochenderfer commented that while it is difficult to frustrate Council to this extent, it has been done. He gave the example of a mechanic finding great expense is needed for a car repair, and stated that costs must be managed. He stated that he is convinced that the City cannot cut its way out of this problem. He commented that he does not think that Council is prepared to go forward tonight with the proposal it has in front of it, and it needs to strategize to find a way to spread the costs out and manage the project scope. He stated that it is an estimating problem.

Mayor Barnett stated that Council's frustration is well-placed and is well under the Administration's frustration when it began understanding the numbers. He noted that the Administration moved forward with numbers based on estimates developed by experts. He pointed out that in the last month, the Administration tried to assemble as much information as possible to bring to Council. He commented that Council should take the time it needs; however, it must understand the implications of any decision. He noted that there are operational and cost impacts to any decision. He stated that his direction to Chief Canto and Mr. Cope was that Council should be presented with three options: One option under budget, one that is everything that should be undertaken to complete what was originally thought could be completed, and a third option of a process somewhere in the middle. He stated that this may result in Chief Canto encountering operational issues, or Mr. Sawdon encountering financial issues. He stressed that this is in Council's hands to determine the direction to proceed. He mentioned that he and Chief Canto have gone to incredible lengths to think outside of the box in the last two weeks, meeting with Auburn Hills' leadership team to determine if something can be done that is different than what was done before. He commented that the Administration is

not taking this sitting down. He stated that there are risks and rewards with each option. He noted there has been substantial internal discussion, including investigation as to why CHMP had different number than Auch, and whose were accurate. He noted that there is no expectation that a decision had to be made tonight; however, there will be an implication to not making a decision.

Ms. Morita stated that an architect's estimate of \$189 per square foot is now over \$500 per square foot. She commented that she does not understand how an architect can stay in business making this type of error in a six-month timespan. She stated that it would have been all over the news if construction prices had tripled in six months. She noted that her experience in working with public works projects is that sometimes the problem is with the architect. She stated that it would be worth investigation whether a different architect could draft plans and see how those bids come in. She pointed out that if Chief Canto needs housing at Station #4, perhaps a trailer located on the empty lot should be considered at this point, rather than an extra \$4 or \$5 million in construction cost. She mentioned functional issues at other stations that should be fixed right away, such as the height of bays. She commented that she would have appreciated a head's up two months ago or meetings with Council. She stated that to say that is disappointing is an understatement of unparalleled magnitude.

President Hooper questioned whether changing architects would be prudent.

Mr. Munchiando responded that there could be costs for going out to rebid and bids could go up as well. He mentioned that the same problems have been encountered at the west side of the state. He noted that projects established in 2013 and 2014 are way out and many projects are not moving ahead because of this reason. He commented that changing architects is not the best thing for the City.

Mr. Hetrick confirmed Council's frustrations, noting that it would have been better to have conversations two months ago when the problems emerged. He stated that Council needs to see the specifics of how Station #4 can go forward before it can make an intelligent choice. He expressed his appreciation for Mr. Sawdon's commentary how the projects could be funded and how General Fund could absorb the need. He noted that at a minimum, Station #4 will have to come back for a second conversation. He commented that the City might never get back to the old estimate.

Mr. Wiggins commented decisions should not be made in a vacuum, and a decision about Stations #1, #2, #3 and #5 should not be made until how funding for Station #4 could be handled. He pointed out that the economy ebb and flow, and he stated that he would be willing to wait and formulate a long-term plan.

President Hooper pointed out that additional staffing has been hired to become a 24-hour operation and enable reduced response times for ambulance services. He questioned what temporary solution could be put into place to house them, or if trailers would be an option.

Chief Canto stated that this would have to happen, as Stations #3 and #5 do

not have any sleeping quarters. Station #4 would require a trailer as well to house the three people. He commented that while the stations are operational, their functionality is not there.

President Hooper commented that he favored Ms. Morita's idea of putting trailers at Station #4. He noted that costs are not going to get cheaper, and he did not see any sense in redesigning with a new architect as this would not save any money. He commented that from his perspective Council should move forward with Stations #1, #2, #3 and #5, place trailers at Station #4, and take a year or two to determine the way to proceed with Station #4. He noted that this would result in four out of the five stations having long-term permanent facilities in line with the City's goal in reducing response time and placing three staff 24/7 at these stations.

Mr. Wiggins commented that this does sound like a plan and a good compromise, to accomplish four of the five stations within budget and move forward with Station #4 at some point.

President Hooper commented that it is his opinion that the contingency should be removed, and the construction manager should come back to Council on a quarterly basis with unforeseen costs and change orders as they are occurring. He noted that this would have the budget at the bare minimum to accomplish the project.

Mr. St. Dennis pointed out that the contingency for Stations #1, #2, #3 and #5 was considerably less than \$899,000, and would be \$510,000. He noted that the contingency is there to protect the owner and keep the project flowing. He pointed out that change orders are produced quickly, and contingency dollars are approved by Auch, the architect and owner as a team. Approving them on a quarterly basis would be slow.

President Hooper noted that a \$6 million contract minus the \$510,000 contingency would result in a \$5.5 million dollar contract. He stated that it would be known on a quarterly basis that additional funds would be needed.

Mr. Munchiando stated that when a Guaranteed Minimum Price is put together, it is line-by-line accounting. He commented that funds cannot just be shifted around, and he noted that it would be burdensome to bring back change orders.

Mr. Tisdell stated that he did not believe that Council is alleging gross negligence. He commented that the market has changed at a rate that outpaces the City's ability to adjust, and Council will not be able to cut its way to savings. He stated that he is in favor of moving on with the money it has, and maximize its operations. Council should decide what to do with the current funds today.

Mr. Brown commented that Council should be presented with what configuration would gain the best response time for \$7.8 million. He stated that instead of abandoning Station #4 from the project, perhaps the right decision is to do Station #4 and eliminate another. He noted that he would like to hear what proposal will yield the best response time.

Chief Canto stated that when he came to Rochester Hills, he began evaluating facilities and manpower. He noted that, for example, if there is snow or ice on the ramp at Station #2, the truck hits the building. Furthermore, there are only sleeping facilities for two at Station #2. No women's locker room or bathing facilities are available there. He commented that the station is considered operational. He pointed out that something needs to be done with Stations #3 and #5 immediately as they do not have sleeping quarters within those buildings. Stations #2 and #4 have sleeping quarters; however, there is no space to house the additional person. In addition, there are no separate men's and women's showering facilities. Station #2 does not have the correct height for its doors for apparatus to go in and out. He commented that some things need to be addressed. He stated that he would want to see Stations #1, #2, #3 and #5 approved tonight. He commented that there was no previous planning on where the Department wanted to be ten years from now; and he stated that the facilities brought to Council were designed to serve the City for the next 25 years and provide 24-hour per day all-hazard Fire and EMS operation.

Mr. Hetrick stated that when working on the recommendation a year-and-a-half ago, Council wanted to plan for the future for 24/7 operation and facilities for men and women firefighters. He commented that the challenge before Council is to find a way to fund this activity. He questioned whether the bidders would hold their bids for another month to allow Council to know what it is agreeing to.

Mr. St. Dennis responded that he could not answer that question tonight, nor could he guarantee it.

Mr. Hetrick stated that this was the expected answer. He noted that there seems to be a consensus to do Stations #1, #2, #3 and #5 and place trailers at Station #4. He commented that if Council has no choice, perhaps the best scenario is the potential compromise.

Mr. St. Dennis commented that pushing this off for another month could mean that more winter conditions will be encountered. He pointed out that outdoor foundations on Station #2 need to be done, the masonry up, and the building enclosed.

Mr. Hetrick noted that Council's next Regular Meeting is October 12, 2015.

Ms. Morita questioned whether a trailer could be placed in the vacant area of Station #4.

Mr. Cope responded that he would have to look into it. He stated that he did not think there was any ordinance restricting the City from placing them; however, he would have to review the ordinance to be sure.

President Hooper commented that it was anticipated to have temporary trailers.

Mr. Cope responded that it would have to be known for how long.

Ms. Morita noted that they would be more of a permanent nature.

President Hooper commented that perhaps an exception could be made.

Ms. Morita stated that she would be in favor of asking contractors if they would be willing to hold their bids for two more weeks to allow Council time to review and understand the numbers.

President Hooper offered that a Special Meeting could be called for one week from today.

Ms. Morita commented that she would be in favor of a Special Meeting.

President Hooper questioned whether Council Members would be available for a Special Meeting.

Council Members confirmed that they would be available.

Ms. Morita noted that she would like an answer to the trailer issue provided in advance of four hours prior to the meeting.

President Hooper stated that an answer should be provided as to the trailer situation, how the projects would be pared down from the original design bid, where the savings were, if any, and any operational concerns.

Ms. Morita stated that she would also like to know if any of the other sites have the ability to locate a trailer for staff housing.

Chief Canto noted sleeping quarters are needed for Stations #3, #4 and #5.

Mr. Wiggins referred to the chart with the comparison of the architect's estimate to the preliminary bids. He noted that if Station #4 is removed and City costs are added back in, what savings could be made.

Mr. Cope stated that less money for special inspections would be needed, and he noted that for Stations #1, #2, #3 and #5, it would be approximately \$20,000. He explained that the hazardous materials survey has already been done. Equipment and furnishings are estimated at approximately \$50,000 per building, totaling \$200,000. He pointed out that the architectural fees are being negotiated and are not yet known.

President Hooper questioned whether Council had any other clarifying questions for staff. He noted that he would call a Special Meeting for one week from today for review and approval of the fire construction contractors.

Ms. Morita requested Mr. Sawdon provide a written explanation of the funding source for the extra money needed for Station #4.

Discussed.

(Mr. Brown exited at 10:21 p.m. and re-entered at 10:23 p.m.)

- 2015-0262** Request for Purchase Authorization - HUMAN RESOURCES: Waiver of Section 2-275(c), of the Purchasing Ordinance; formal competition requirement for purchases exceeding \$25,000.00; Purchase Authorization for Firefighter Supplemental Accident and Sickness Insurance through October 31, 2016 in the amount of \$28,696.00; Volunteer Firemen's Insurance Services (VFIS), Baltimore, MD

Attachments: [092815 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Director of Human Resources, explained that any change in the Volunteer Firefighter Insurance Service must be approved by the Union. She noted that when the request for proposal was issued earlier this year, the current carrier did not respond, and one other qualified bidder submitted a proposal. She stated that the City requested and received a 90-day extension from the current carrier to review the proposal. She pointed out that the Union notified her on July 30, 2015, that the members declined to make the carrier change pending current negotiations. She stated that the Administration is recommending that Council approve the waiver requested.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0263-2015

Resolved, that the Rochester Hills City Council waives Section 2-275(c) of the Purchasing Ordinance, the formal competition requirement for purchases exceeding \$25,000.00, under Section 2-281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City.

Further Resolved, that the Rochester City Council authorizes the purchase authorization for Firefighter Supplemental Accident and Sickness Insurance through October 31, 2016 in the amount of \$28,696.00 to Volunteer Firemen's Insurance Services (VFIS), Baltimore, Maryland and authorizes the Mayor to execute the contract on behalf of the City.

- 2015-0377** Request for Approval to exempt AFSCME and IAFF union, as well as non-union employees from Public Act 152 for benefit plan year 2016

Attachments: [092815 Agenda Summary.pdf](#)
[2016 CORH Renewals.pdf](#)
[Cadillac Tax.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Director of Human Resources, noted that the Administration recommends the continued opt-out under Public Act 152. She stated that City Council has approved the opt-out since the Act went into effect in 2011. She explained that the Administration is pursuing strategy that includes a core

City-funded medical plan along with the ability for the employee to buy up to other options. She mentioned that in July of 2014, the City went to Health Alliance Plan as its sole medical insurance, which has given the City greater ability to negotiate premiums. She noted that she is pleased to state that for 2016, premiums were successfully negotiated to limit the increase on the core plan to 1.7 percent.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0264-2015

Whereas, Public Act 152 mandates specified health care premium contributions by City employees unless the governing body elects to exempt employees by a two-thirds majority vote,

Whereas, projected health care cost increases for 2016 continue to be consistent with objectives established by City Council,

Whereas, the City administration intends to maintain the same health care strategy for the City's non-union employees in 2016,

Resolved, the City of Rochester Hills shall be exempt from the requirements of Public Act 152 of 2011 to the extent that comparably cost-effective City medical plan contributions are maintained in ratified union agreements between the City and AFSCME locals 2491, 1917.28 and IAFF local 3472 for the plan year beginning January 1, 2016.

2015-0376 Request for Approval of the 2015-2016 Police School Liaison Program between the Rochester Community School District, the City of Rochester, Oakland Township, and the City of Rochester Hills

Attachments: [092815 Agenda Summary.pdf](#)
[2015-16 Police Liaison Calc.pdf](#)
[Resolution \(Draft\).pdf](#)

Keith Sawdon, Director of Finance, noted that the City has participated for a number of years with the Oakland Community School Districts and neighboring communities in the Police School Liaison Program. He stated that the Administration is requesting that Council approve moving forward with the same program.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0265-2015

Whereas, the City of Rochester Hills City Council hereby approves the Police Liaison 2015/2016 (school year) budget in the amount of \$601,820.00, of which as a participating party, the City of Rochester Hills' contribution is \$288,266.00 as presented,

Now Be It Resolved, that the Mayor is authorized to execute the documentation on behalf of the City.

2015-0316 Adoption of the Fiscal Year 2016 Budget

Attachments: [092815 Agenda Summary.pdf](#)
[Straw Poll Results.pdf](#)
[091415 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[081715 Agenda Summary.pdf](#)
[081715 Budget Presentation Schedule.pdf](#)
[Suppl Presentation - Overview.pdf](#)
[081015 Agenda Summary.pdf](#)
[081015 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Keith Sawdon, Director of Finance, recapped the six-month Budget Process and noted that the proposed Budget meets the goals of Council's Strategic Plan.

Mr. Brown commented that if capital costs for projects are increasing, it would make sense to begin reviewing costs for projects not yet in the budget. He stated that if the City is going out to bid at the wrong time, it is making an impact on where the City's dollars go.

Mr. Sawdon responded that the Administration always encourages the Purchasing Division to bid projects off-season. He noted that estimates used for budgeting are based on engineering estimates; and he explained that it is a daunting task when six to nine months goes by before a project is ready to go. He commented that the Administration will adjust as it needs to downsize a project scope or find funding to cover any increases.

President Hooper questioned whether the Special Assessment District (SAD) project cost is in Local Roads.

Mr. Sawdon responded that this particular project moved in a pace not in sync with the budget. He explained that a \$200,000 place-marker for SADs is included in the budget; and he commented that he would prefer amending the budget when true numbers are obtained from the bidding process.

President Hooper questioned whether the SAD would be funded from the General Fund.

Mr. Sawdon responded that funding would be reviewed at the time the project is ready to go. He noted that as the SAD is considered a local road improvement, the Administration would look to Local Roads, as it has a fund balance. He pointed out that as Council approves and awards contracts, budget amendments would follow.

Mr. Tisdell noted that at the last Council Meeting, a resident commented that taxes area going up. He stated that the City Tax Rate was at 9.7060 for 16 years, and the rate increased in 2015.

Mr. Sawdon responded that while the rate increased in 2015, it was the result of a question approved by the voters for Fire Funding. He pointed out that voters approved three mills; and the City spread 2.7 mills.

Mr. Tisdell commented that the City tax rates were static for 16 years; and the voters asked for additional Fire Funding.

Mr. Sawdon agreed, noting that the City had not changed its millage rate for a number of years.

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

Aye 7 - Brown, Hetrick, Hooper, Kochenderfer, Morita, Tisdell and Wiggins

Enactment No: RES0266-2015

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Special Appropriations Act pursuant to PA 493 of 2000, and Section III of the Charter for the City of Rochester Hills, the Mayor as the Chief Executive Officer prepared the proposed budget for the ensuing year and submitted it to the Council at its first meeting in August; and

Whereas, at its August 10, 2015 meeting City Council acknowledged receipt from the Mayor of the Proposed Fiscal Year 2016 Budget Plan and set a Public Hearing to be held September 14, 2015 at 7:00 p.m. to solicit comments on the proposed budget plan from the public; and

Whereas, at its September 14, 2015 meeting City Council held said Public Hearing on the proposed budget plan and the related millage rates to defray the Fiscal Year 2016 proposed budget expenditures; and

Whereas, subsequent to the City Council's review and comments, the Mayor adjusted the original proposed budget; and

Resolved, the following list of funds sets forth the general appropriations for the City and adopts the following City Budgets for Fiscal Year 2016.

Be It Further Resolved, the Mayor is hereby authorized to administratively adjust the operating budget line items up to \$25,000 per event, but in no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Adjustments from capital accounts and fund balances shall be made only by further action of the City Council.

**Adoption of the FY 2016 Annual Appropriation Budget(s) for the
City of Rochester Hills, Michigan**

Fund 101 - General Fund	\$ 22,047,740
Fund 202 - Major Road Fund	7,747,860
Fund 203 - Local Street Fund	10,258,360
Fund 206 - Fire Fund	10,113,740
Fund 207 - Special Police Fund	9,638,170
Fund 213 - RARA Millage Fund	612,250
Fund 214 - Pathway Millage Fund	584,540
Fund 232 - Tree Fund	208,900
Fund 244 - Water Resources Fund	574,110
Fund 265 - OPC Millage Fund	754,630
Fund 299 - Green Space Millage Fund	2,213,800
Fund 313 - Street Improvement Bond - 2001 Series Fund	261,800
Fund 314 - SAD Street Improvement Bond - 2001 Series Fund	288,530
Fund 331 - Drain Debt Fund	202,990

Fund 369 - Older Persons Building Bond Refunding Fund	785,530
Fund 393 - Municipal Building Refunding Bond - 2010 Series Fund	769,350
Fund 394 - Local Street Refunding - 2011 Series Fund	501,020
Fund 402 - Fire Capital Fund	1,806,200
Fund 403 - Pathway Construction Fund	391,050
Fund 420 - Capital Improvement Fund	452,750
Fund 510 - Sewer Operations	15,155,900
Fund 530 - Water Operations	17,792,290
Fund 593 - Water & Sewer Capital Fund	7,776,190
Fund 595 - Water & Sewer Debt Fund	1,558,400
Fund 631 - Facilities Fund	6,089,270
Fund 636 - MIS Fund	2,789,870
Fund 661 - Fleet Fund	4,622,570
Fund 677 - Insurance Fund	416,000
Fund 736 - Retiree Health Care Trust	144,940
Fund 752 - Cemetery Perpetual Care Fund	-
Fund 760 - Green Space Perpetual Care Fund	-
Fund 843 - Brownfield Redevelopment Fund	-
Fund 848 - LDFA Fund	337,800
Fund 851 - SmartZone Fund	-
Fund 870 - Museum Foundation Trust Fund	10,000
Fund 893 - EDC Fund	950
Total	\$ 126,907,500

ANY OTHER BUSINESS

NEXT MEETING DATE

Special Meeting - Monday, October 5, 2015 - 7:00 p.m.

Regular Meeting - Monday, October 12, 2015 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:34 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

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

*MARY JO PACHLA
Administrative Secretary
City Clerk's Office*

Approved as presented at the December 7, 2015 Regular City Council Meeting.